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THE QUEEN'S AWARD TO INDUSTRY 1971 1975

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NEWS SUMMARY

GENERAL

Gunmen raise ransom price

Negotiations for the release of hostages held in the U.S. Embassy in Kuala Lumpur by Japanese Red Army terrorists took a new turn over fresh conditions imposed by the guerillas.

After releasing nine of their 50 hostages they were said to be demanding "a very large amount of money" from the American, Malaysian, Japanese and Swedish Governments whose nationals were in their hands.

Their earlier demands had been met when a Japan Airlines DC8 arrived from Tokyo carrying five Red Army prisoners released from Japanese jails. The plane was refuelled to take the gunmen to a new haven after the crew had rested.

The drama, which began on Monday, coincided with a visit to Washington by Japanese Prime Minister, Mr. Takeo Miki, for talks with President Ford.

PM to speak on Court Line

The Prime Minister is to make a statement to-day about the Government's refusal to allow the Ombudsman access to the Cabinet Committee documents on the Court Line affair. During angry exchanges in the Commons, Mr. Wilson said he would "nail this matter once and for all," and denied a report that the Government had concealed his own role in the affair.
Page 9

Bonfires in Portugal riot

Troops rushed to the Northern Portuguese town of Famalicao where hundreds of demonstrators went on the rampage, lit bonfires in the streets and sacked houses belonging to Communists.

Tougher action by firemen

Fire services could be seriously affected as a result of intensified industrial action by the National Union of Firemen.
Page 8

Wet interval

Thunderstorms and heavy rain punctured Britain's heatwave in many places but the storms were short-lived and then it was back to blazing sunshine and temperatures soaring into the high 80s. In the West Country, storms cut power lines and blocked roads.

Falls Road blast

A bomb in Belfast's Falls Road area injured three women. Earlier, Mr. Merlyn Rees said bodies other than the Provisional IRA were involved in the latest crimes. Page 10

Hoffa reward

The family of former Teamsters' Union president James Hoffa, missing since last Wednesday, offered a $200,000 reward for information on his whereabouts.

Squatting row

Mr John Cordle MP is to introduce a Bill to-day which would outlaw squatting. Police in Worthing forcibly removed people squatting in a house due for demolition. In London, a squatter's agency denied as exaggerated a report that it planned an "invasion" of empty homes throughout the country.

Briefly . . .

Second Test at Lord's ended in a draw, with Australia 329 for 3 at the close of a match in which England regained their confidence. Page 10

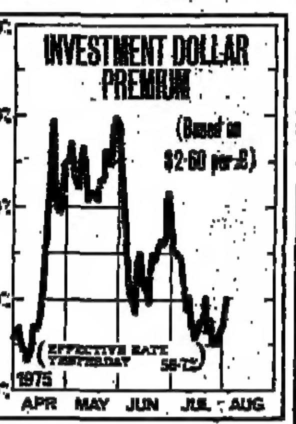
Llandudno scientist Mr. Elwyn Roberts, 42, won the Bardic Crown at the Eisteddfod.

BUSINESS

Equities rally 7.5 but gilts retreat

● **EQUITIES staged a technical rally in quiet trading. The FT 30-share index rose 7.5 to close at the day's best of 289.6. Official markings, though, improved only marginally.**

● **GILTS retreated in the light of rises in U.S. Treasury bill rates and U.K. clearing bank base rates. Closing losses ranged to ⅛ in shorts and ¼ in mediums and longs.**



● **INVESTMENT dollar premium closed 1½ per cent. up at 90¼ per cent. after touching 91½.**

● **GOLD lost 75c to $165⅞.**

● **STERLING drifted down to $2.1360 before recovering to $2.1415—down five points. Its weighted depreciation was 26.9 per cent. (26.6); the dollar's was 3.05 (2.92).**

● **WALL STREET closed 7.90 lower at 810.15 on inflation fears after the failure of a mid-session rally.**

● **UNEMPLOYMENT** in West Germany rose by 33,100 to 1,035,200 in July—the first increase between June and July for 26 years.
Page 6

● **NATIONAL IRANIAN** Oil Company is negotiating an £18½m. deal under which the Victoria Street site of Abbey House in London will be developed as its headquarters.
Back Page

Raw material prices probe

● **PRICE COMMISSION** is to examine the relationship between raw material price movements and retail prices. The Government is concerned at the possible impact of higher commodity prices on its counter-inflation policy.
Page 7

● **PHARMACEUTICAL** companies' scope for reclaiming money spent on promotion from the NHS is likely to be restricted as part of the Government's programme of expenditure cuts.
Parliament Page 9

● **TGWU** has asked its members employed by Scottish and Newcastle Breweries to moderate their claim for rises averaging £38 a week.
Page 8

● **MR. DENNIS POORE** should be sacked as chairman of NVT along with the rest of the management, and the group taken into public ownership, Labour MPs from the Midlands told Mr. Eric Varley.
Page 7

● **MR. ALAN LORD,** a deputy secretary in the Department of Industry, has been appointed to a new post as second parmanent secretary at the Treasury to develop its contribution to industrial policy.
Back Page

● **POST OFFICE** has shelved plans for a new £20m. headquarters in the City.
Page 7

● **WINTRUST** reports pre-tax profits halved to £0.8m. in the year to March 31.
Page 14 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

AVP	43	+ 3
Barlow Rand	300	+ 7
Beecham	270	+ 4
Boots	102	+ 6
Bowater	139	+ 4
"Bats"	280	+ 5
Cavenham Warrants	58	+ 9
CompAir	52	+ 6
EMI	166	+ 5
Empire Stores	58	+ 5
Esperanza	66	+ 5
Eisons	334	+ 7
Furness Withy	233	+ 6
GEC	118	+ 6
GKN	205	+ 7
Hawker Siddeley	257	+ 10
House of Fraser	71	+ 3½
Lucas Inds.	99	+ 5
Marks and Spencer	96	+ 4
Natnl. Westminster	186	+ 8
P and O Dfd.	86	+ 4½
Philips' Lamp	732	+ 20
Plessey	66	+ 3
Priest (Ben.)	45	+ 4
Reed Intnl.	100	+ 4
Royal Ins.	264	+ 8
Thomson Org.	154	+ 5
BP	468	+ 5
Ultramar	172	+ 6
Clairmace	54	+ 4
Pundaloya	16	+ 4
FS Saailplaas	243	+ 8
Lydenburg	140	+ 6
Venterspost	830	+ 15

FALLS

Treasury 10½pc '78	£96[illegible]	− [illegible]
Clifford (Chas.)	77[illegible]	− 7½
Johnson Matthey	230	− 9
Nairn Williamson	50	− 6
Robb Caledon	22½	− 4
Botswana RST	70	− 12

Big four increase base lending rates ½% to 10%

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

The upward pressure of world interest rates has forced the big London clearing banks to raise their base lending rates by ½ per cent. to 10 per cent. with effect from this morning.

This is the first change in bank interest rates since April. It means that the overdraft rate for first class "blue chip" industrial borrowers goes up to 11 per cent., with corresponding increases up the scale.

At least two of the big banks hinted yesterday that, while they hoped to hold base rate at the new level, this was by no means certain.

Mr. Derek Weyer, senior general manager of Barclays—the first of the big four to move—said: "Whether we shall be able to avoid a further increase depends on the level of interest rates over the next few days.

And Mr. Alex Dibbs, chief executive of National Westminister, emphasised that the increase of ½ per cent. was "in our view the minimum corrective required."

The increases follow the rise in money market interest rates in the U.K. since the Bank of England raised its minimum lending rate on July 25. That move was itself prompted by a desire to safeguard sterling when, with U.S. interest rates going up, the attractions of London to overseas depositors were seen to be threatened.

It had been hoped that the rise in U.S. interest rates was a temporary phenomenon. But they have certainly not come down so far, and in fact U.S. treasury bill rate edged up a little further at the beginning of this week.

Since the beginning of the week when MLR was raised, the three-month London inter-bank rate has gone up from 9⅝-9¾ per cent. to 10⅝-10¾ per cent.

The general upward movement in money market rates has increased the cost to the banks of a significant proportion of their deposits raised in the money markets.

There are differing views about the likely course of interest rates in the next week or so, and the clearing banks are known to have considered a full percentage point rise.

However, this was neither desired by the Bank of England—which is concerned enough already about the prospects for industrial investment in the current recession—nor was it considered wholly justified on the strength of other market interest rate movements so far.

Meanwhile the item at the centre of all this—the sterling dollar rate—edged down to yet another all-time closing low of $2.1415, against $2.1420 on Monday, although the EEC "snake" currencies improved some ⅜ per cent. against the U.S. currency.

In contrast to the ½ per cent. rise in overdraft rates, the banks have raised their rates for depositors by only a ¼ per cent.—to 6¼ per cent.

This widens again the spread between lending and deposit rates, and is put firmly in the context—at least by Barclays—of "the need, shown by our recent interim results, to improve the present trend in profitability."

The increase in base rates coincides with the publication this morning of detailed monthly banking statistics showing that, by mid-July the banks collectively had improved their liquidity further, with reserve assets as a proportion of eligible liabilities rising from 14.6 per cent. to 15 per cent.

There was also a sharp rise in the banks' "interest bearing liabilities"—from £22.3bn. to £23bn.—which might on the face of it point to a sudden acceleration in money supply growth.

But it is believed that after seasonal adjustment the indicated change in the wider definition of money supply—M3—is not likely to prove to have been very great.

In the case of the London *clearing banks, a rise of £563m.* in advances to the U.K. private sector (during the four weeks to mid-July) was mainly the result of half-yearly interest and commission charges, and less than could have been expected on seasonal grounds.

Banking sources say the underlying demand for advances continues to be weak, although some banks emphasise that since the detailed figures were compiled there *has* been an upsurge in demand for loans—simply because of the differential which arose between some money market rates and the clearing bank rates, before to-day's base *rate changes.*

This will have reduced the reserve asset ratios.

Lex, Back Page

Crosland puts standstill on local council spending

BY COLIN JONES

LOCAL AUTHORITIES are to be told that their revenue expenditure for grant purposes next year will have to be limited to the equivalent in real terms of this year's spending.

This "standstill" was announced yesterday by Mr. Anthony Crosland, Secretary for the Environment, following analysis of the latest figures for local government spending in 1975-76. These have shown that the rate of increase in this year's spending is likely to use up the whole of this year's and next year's growth allocation and a bit more besides.

4.8% growth

When the level of rate support grant for the current year was settled last November, the Government and local-authority associations agreed that local spending for grant purposes should be allowed to grow by 4.8 per cent. in real terms, to cover "inescapable" ongoing commitments.

At the same time, a real increase of 3.2 per cent. was provisionally set for 1976-77, but this was reduced to an increase of 1½ per cent. following the public - expenditure cutbacks announced in the Budget in April.

Next year's "targets" were based on this year's permitted increase rather than on what is eventually spent this year. It was the first time this formula had been used since the present rate support grant system began almost a decade ago.

Local current spending this year now looks like running about 2 per cent. over target in real terms, and is thus higher than the figure the Government had provisionally set for 1976-77.

In calling for a standstill next year, the Government appears to be reconciling itself to a level of expenditure in 1976-77 which will now be somewhat above previous estimates. In current price terms, the difference between a real increase of 1½ per cent. and one of 2 per cent. would probably be in the region of £50m.

Mr. Crosland has undertaken to advise local authorities how to achieve next year's standstill, but in the last resort the choice will be that of individual councils.

The key question therefore is whether local authorities, having failed to keep within this year's growth, will manage to achieve an actual standstill next year. If they do not, the outlook for next April's rate increases is indeed grim.

The alternative will be widespread cuts on services which in turn will inevitably mean redundancies among local authority employees. Even those councils which have so far managed to keep within the Government's guidelines—as many have—will be hard put to hold their spending level next year.

Their difficulties arise from the rate of deceleration in local spending which Ministers have been calling for. This year's permitted increase is about half the 9-10 per cent. average rate of real growth recorded in the past three financial years.

Past calls for expansion of particular local services, coupled with the forward revenue implications of capital expenditure, even at the present reduced level generate a momentum in revenue spending which is hard to rein back.

Re-appraisal

If next year's standstill in expenditure for rate-grant support purposes is to be followed, as Ministers have been indicating, by several more years of nil or very limited growth, then a major re-appraisal of local services will now be unavoidable.

Mr. Crosland's announcement yesterday raises other implications. The credibility of the Government's warning that it will withhold grant payments if the £6 pay limit is broken will be weakened if there is a substantial increase in rate calls.

On the other hand, this year's over-run in local spending will have strengthened the hand of those who are pressing for the Government to take power to control local budget-making or, alternatively, to supervise their tax-raising powers.

Cut subsidies call Back Page

July car sales at 16-year low

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE DEPTH of the present depression in the U.K. motor industry was confirmed yesterday with the publication of the lowest July registration figures for 16 years.

At the same time imports have maintained their grip on more than 30 per cent. of the total market, as they have throughout the year, and Datsun remained at the top of the importing league.

Although July is traditionally the worst month of the year for car registrations—mainly because many customers elect to take delivery of new cars in August when they get the new "P" registration suffix—the underlying downward trend is worrying manufacturers. Total sales last month, at 56,991, were 14 per cent. down on the same period last year.

In response to these statistics and the new Government £6 pay limit, some industry economists have reduced their estimates for the total U.K. market this year. However, the Society of Motor Manufacturers and Traders, the industry's main statistical body, has downgraded its estimate of sales this year from 1.15m. to only 1.14m.

As far as imports are concerned July showed another fall off from the record 38.44 per cent. achieved in April this year. But at 32.8 per cent. of the market, they registered a considerable increase on the 25.11 per cent. in July last year, and the early August figures will show that even more motorists have ignored the Trade Secretary's plea to "search their consciences" and buy British.

The SMMT, which published the preliminary July figures yesterday, calculates that some 41,000 of the early August registrations are cars which were actually sold in July. Of this total well over 40 per cent. are believed to be imports, and about 20 per cent. Japanese cars.

Last month, British Leyland's share of the market increased to 31.1 per cent. from 28.22 in July last year. Chrysler, which

Continued on Back Page

U.K. CAR REGISTRATIONS

	July '75	(% share)	July '74	(% share)
British Leyland	17,750	31.1	18,603	28.22
Chrysler U.K.	4,877	8.6	5,719	8.67
Ford	10,977	19.3	20,031	30.38
Vauxhall	4,562	8.0	4,764	7.23
Total British	38,298	67.2	49,376	74.89
Datsun	3,222	5.7	2,145	3.25
Renault	3,022	5.3	3,080	4.67
VW/Audi	1,756	3.1	1,757	2.67
Fiat	1,702	3.0	2,542	3.86
Total imports	18,693	32.8	16,552	25.11
Total	56,991	100	65,928	100

P.O. goes to aid of Robb Caledon

BY NICHOLAS LESLIE

ROBB CALEDON Shipbuilders, the Dundee-based shipbuilding and ship-repairing group which is on the Government's "shopping list" for nationalisation, has been rescued from the brink of collapse by a Post Office-guaranteed loan of £2.5m.

The Post Office is awaiting delivery from Robb Caledon of two cable repair ships and it emerged yesterday that the company has suffered substantial losses on the contract for these vessels.

In February, after the announcement of a £480,000 first-half loss, Robb Caledon's Board said it expected a small profit for the year to March 31, 1975, assuming normal output.

However, a letter from Sir John Brown, chairman, posted to shareholders yesterday, says "very substantial losses" have been incurred because of labour problems, inflation, and delays in the provision of services and materials from three main subcontractors on its cable repair ships contract.

As a result, a loss of £1.55m. is expected for 1974-75.

Robb Caledon tried to get the contract renegotiated, but this was refused by the Post Office which, anyway, did not put in the order for the ships. This was done by merchant bankers Samuel Montagu, who will own them and rent them to the Post Office on a "demised charter" basis—that is, exclusively to the Post Office for the lifetime of the vessels.

Because of the size of the loss in relation to Robb Caledon's net assets—£1.64m. at March 31, 1974—extra capital was clearly needed, and this the company has secured by way of a subordinated loan of £2.5m. for up to 15 years. The funds will be made availble by Lazard Brothers, under a guarantee of the Post Office.

A further £500,000 will be available over two years by the issue of redeemable Preference shares at par, funds again being available from Lazards.

Sir John's letter also disclosed that Robb Caledon has exceeded its borrowing limit of £1.64m. with group bank borrowings and loans at June 30, 1975, totalling £3.13m. Approval of shareholders is being sought to an increase in borrowing powers to a total of £6m. or two-and-a-half times the adjusted share capital and reserves—whichever is the greater.

£ in New York

—	Aug. 5	Previous
Spot	$2.1380-1390	$2.1405-1415
1 month	0.75-0.70 dis	0.95-0.90 dis
3 months	2.16-2.10 dis	2.42-2.37 dis
12 months	8.00-7.80 dis	8.35-8.25 dis

Shore plans early 'worker director' law

BY JOHN ELLIOTT, LABOUR EDITOR

GOVERNMENT PLANS for workers to be directly represented on company Boards of directors within a little over two years were revealed yesterday when Mr. Peter Shore, Trade Secretary, announced the creation of a fast-moving Committee of Inquiry on industrial democracy which will lead to legislation in 1976-77.

But the announcement, which indicates a considerable degree of Government sympathy for the TUC's plans for half the seats on company Boards being taken up by trade union nominees, was roundly condemned by the CBI as "another indication of Government by the TUC."

In a statement voiced in even stronger critical terms than has become the norm from the CBI on the present Government's plans in industrial affairs, the CBI said Mr. Shore's announcement was "another blatant example of the trade unions attempting to control every aspect of our society."

The inquiry will cover only the private sector and will be told in effect to report quickly on how worker-director-based industrial democracy, with a strong trade union content, can be introduced, bearing in mind company law and other problems.

At the same time the Government will conduct a parallel "radical look" of its own on the role of employees in relation to nationalised industry decision-making.

The CBI's outburst contrasted with a general welcome for the news on all sides of the Commons when Mr. Shore made his statement.

It was triggered by anger that the Government assumes there is a general acceptance of the need for wider industrial democracy, based on unions and worker directors, and second that the inquiry is particularly told to take the TUC's proposals into account. No such reference is made to the CBI's work on the subject.

Nevertheless, the committee will start its work within the next couple of months and Mr. Shore yesterday urged those interested to start preparing evidence immediately. But the CBI said it would decide whether to give evidence when it saw its composition.

Mr. Len Murray, TUC general secretary, not surprisingly, welcomed the Government's commitment to early legislation and described as "a step of major significance in the development of our society and industry," the fact that Ministers have accepted the need for a "radical extension of industrial democracy in the control of companies on Boards of directors and accepts the essential role of unions in this process."

Yesterday's announcement follows several weeks of delicate behind-the-scenes negotiations between the Government and the TUC with Mr. Shore being anxious not to rush into immediate legislation.

He believes that the company law and other aspects of the question need careful study—not least at a time when union leaders are far from united on the 50-50 union elected directors idea. On the other hand, the TUC has been anxious that the inquiry should not be free ranging enough to come up with

Continued on Back Page

Leyland works democracy plan, Page 8
Parliament Page 9

FEATURES

ON OTHER PAGES

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'Irrelevance' of Treaty of Rome

BY C. GORDON TETHER

WITH THE SWING to the Left in Mediterranean Europe gathering momentum, the intensified debate over the future of the Common Market triggered off by the British people's vote to stay in has, not surprisingly, developed a preoccupation with the political question-marks that are looming increasingly large in the continent.

But there are also many economic issues that have to be resolved before the EEC "Vision" can get under way again. And the starting point for this part of the exercise must surely be to ask whether the Rome Treaty concept of an area functioning as an untrammelled "market economy" can itself be considered to make sense in the economic context of to-day.

I was interested to see that Mr. Justin Keating, the Irish Minister for Industry and Commerce, featured this aspect of the prospective EEC scenario in his contribution to the FT's recent seminar in Dublin on "Europe After the Referendum." He correctly pointed out that the EEC dream as visualised by the Rome Treaty had, as its primary thrust, the establishment of a region wherein there would ultimately be completely free movement of goods, capital and labour, all with an eye to creating an "undistorted market economy."

Such a concept, Mr. Keating went on to argue, could not be reconciled with either regional or industrial realities. From which, he said, it followed that the Treaty itself had to be regarded "as a confused and self-contradictory document which was becoming less and less relevant."

Hard words

They are hard words, indeed, to say about the bible of the European Community idea. But that they come disconcertingly close to the truth can hardly be denied.

We can now see that there are serious doubts as to whether it is possible to keep the ring for the free functioning of a market economy covering such a vast and diverse area as that represented by the Community of Nine without the intervention of an intolerably oppressive bureaucracy.

More important still is the question of whether the creation of a single "market economy" of such dimensions is compatible with present-day insistence that all governmental actions should have proper regard for regional disparities. And the sympathetic way in which demands for the devolution of political power are nowadays being treated shows how much importance is currently attached to the implementation of this principle.

As Mr. Keating pointed out in his speech in Dublin, regional disparities have actually been becoming more marked in the Community. And it was Mr. George Thomson, that great British devotee of the Common Market dream, who warned the same conference that Europe is becoming increasingly divided into two communities—one prosperous, the other underprivileged—with the underprivileged periphery starting to stretch out its tentacles, moreover, to form growing pools of poverty in the EEC's prosperous heartland.

Regional aid

The stresses which the formation of vast markets like the EEC generates in this way can, of course, be mitigated by bolstering up the penalised areas with subsidies of one kind or another. But whether there is ever going to be the necessary readiness on the part of the Community's "prosperous heartland" to make money available at its own expense on the scale required is another matter.

The sums the EEC has donated in regional aid for the 1975-77 period of around $400m. per annum will manifestly go no further than scratch the surface of the problem. And though Mr. Thomson's hope that subsequent allocations will be much larger may well be fulfilled, it is hard to see them keeping pace with the need—which is itself bound to grow at a fast pace as the "market economy" moves into its own.

It can, no doubt, be argued that it is also becoming apparent that economic activity of all kinds experiences considerable difficulty in remaining viable in a modern context unless it can get the savings which go with producing in large quantities. It can also be argued it is much easier to satisfy this requirement within a large market than a small one. But that does not alter the fact that the Rome Treaty is, as it stands, becoming less and less relevant to the realities of economic life in Europe in a number of fundamental senses. And the immediate need is to find out whether—and if so how—it can be suitably up-dated.

GARDENS TO-DAY

Tracing Capability Brown

BY ROBIN LANE FOX

"THIS ISLAND" I was reading recently "is abandoned to kitchen gardeners well skilled in the culture of salads, while peasants emerge from the melon ground to turn professor. Whole woods are swept away to make room for a little grass and a few American weeds. Our virtuosi have scarcely left an acre of shade nor three trees growing in a line from Land's End to the Tweed, and if their humour for devastation continues to rage much longer there will not be a forest tree left standing in the whole kingdom."

Monstrous

Not, as you might think, an attack on the shameful vulgarity of local authorities but a blast by the Treasurer of the Royal Academy 200 years ago against none other than Capability Brown. Like all such blasts, it was monstrous. Brown had spent his life in planting drifts of trees in every one of his natural landscapes. The whiff of the melon-pit, that uncomfortable bed of rich dung, had been invoked against him often, and unjustly.

In fact he was the son of a Northumberland Yeoman farmer, born in the village of Kirkharle from where he progressed locally to the huge landscape scheme of Sir William Loraine, a nearby baronet, who knew that there was more to life than a melon and therefore ordered over 20,000 forest trees for his new prospect. Brown had his chance young, and took it without ten years training in a polytechnic.

A re-issue of Dorothy Stroud's definitive narrative of Capability Brown's career(Fabers £12.50; 262 pages) prompts some melancholy thoughts. The landscape garden of the eighteenth century is well-known as the one art form which was allied to painting and yet remained peculiarly British. The continental envy of the "echt Englisher garten" is not dead yet, but the imitations are mostly grotesque.

The landscape garden was not just a happy conjunction of trees and climate. It rested on a view of life, nature and society which could not be transplanted. It's foundations have changed as society has changed. There was no place in Brown's universe for the bourgeois ideals of pavement and precinct, safety by street-lighting and tarmac access to the complacent nests of the bureaucrat. Nature was to be tamed, of course, but the taming rested also on an aesthetic ideal which stood at the centre of morality.

How many of us plan, or care, for what will happen, finances apart, when we are dead? How often do we read or think or talk about the nature of the beautiful or what beauty is? Brown planted landscapes which he knew he would never see as he intended in his lifetime. He had to endure ridicule as a planter of clumps when he knew that these clumps were mostly a temporary cover for thinned groups of mature forest trees. He worked in a world whose patrons thought that they knew, or others knew, what beauty was.

Aesthetics is a dead subject nowadays, even among philosophers, and aestheticism has sunk to the last resort of the ineffective. But Brown's world was the world of Hogarth's Analysis of Beauty, Burke (and then Kant) on the Origin of the Sublime and Beautiful. Criticism has tended to flourish when an art is past its best and no longer taken for granted as part of a society's activity. Yet the landscape garden was rooted in the same soil as essays of critical theory and was sustained by their companionship.

The men of the eighteenth century knew very well what beauty was. "Why," wrote Burke, "most people must have observed the sort of sense they

Racing is on Page 10 to-day

have had of being softly drawn in an easy coach on smooth turf, with gradual ascents and declivities. This will give a better idea of the Beautiful than almost anything else."

It was a beauty of the smooth serpentine curve, the sinuous line of Brown's lakes and theatres of trees and of a well-made Chippendale table. To define the Beautiful nowadays would be to invoke the more formal ideas of proportion and exactness.

But Brown's patrons equated the tyranny of formality in landscape with the political tyranny of suppressed human liberties. The natural garden and the campaign against parterres and topiary belonged largely, but not exclusively, with the tastes of the Whig nobility. For us, artistic taste and moral theory are no longer part of the same.

Miss Stroud's book lists Capability Brown's known commissions and illustrates many of them handsomely. They tended to group into local clusters, a batch round Harewood in Yorkshire, a native group in Northumberland and the inevitable cluster between Buckinghamshire and Middlesex, including work at Syon House.

The grandest and most accessible of them is still Blenheim where Brown's brusque treatment of an earlier parterre and formal water-canal is easily forgiven when one sees his magnificent serpentine lake and belted prospect of forest trees. The plan to Gothicise the walls into Woodstock was abandoned, and visitors to the park, open daily, can decide whether the effect was really necessary.

The most melancholy part of the catalogue is not the reflection which it prompts on our own tastes, for we have decided to do things differently. It is the list of the few gardens by Brown which are still recognisable as Brown would have wished.

The finest would be Petworth Park in Sussex open to the public, if it did not sum up the whole sad story. The proposals to run a by-pass straight through the most admired 18th century landscape in England are not dead yet, though those who accompanied the proposal by denying that Brown ever had anything to do with the site anyway deserve to have their noses rubbed in a basic text on British architecture.

To my eye, the next best Brownian landscape is the park at Bowood in Wiltshire, as yet unthreatened. A splendid letter survives from the first Earl of Selburne after Brown's initial visit and his heavy bill of 60 guineas for the outing. "He passed two days with me, moreover, and 20 times assured me that he did not know a finer place in England and that he is sure no prince in Europe has so fine a fruit garden."

There was little sign of action, for Brown knew that consultants are advised to waste time.

Memorable

A tour round England with Miss Stroud's new edition would have some memorable rewards. It might also encourage you to care for the traces of Brown which are still visible. My favourite Brown anecdote is otherwise likely to gain in meaning. An ironic admirer once remarked that he hoped, at least, he would predecease Brown, and when he was asked why, he answered that he hoped to see Heaven before Brown had improved its capabilities. If we continue to allow Brown's parks to be spoilt and neglected, our hopes of seeing an 18th century landscape will have to be postponed to his corner of a better world.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.55 a.m. Wacky Races. †10.05 Casey Jones. 10.30 Vision On. 10.55 Cricket. Gillette Cup (quarter-final — Lancashire v Hampshire). 1.00 p.m. 'Steddfod 75. 1.25 News. 1.30 Camberwick Green. 1.45 Cricket. Gillette Cup. 4.23 Regional News (except London). 4.25 Play School. 4.50 Z-Shed with Noel Edmonds. 5.15 Yao, African Prince. 5.40 Sir Prancelot.

5.45 News.

6.00 Nationwide (London only).

6.25 The Wednesday Film: "Up In Arms," starring Danny Kaye with Dinah Shore.

8.10 "Five Red Herrings," by Dorothy L. Sayers.

9.00 News.

9.25 The Diane Solomon Show.

9.55 The Rough With The Smooth.

10.25 Success Story: Gore Vidal.

10.55 The Detectives.

11.45 Weather/Regional News.

All regions as BBC 1 except at the following times:

Wales—1.30-1.45 p.m. O Dan Y Mor. 5.15-5.35 Maldwynaldwyn. 5.35-5.45 The Clangers. 6.00-6.25 Wales To-day. 6.25-6.50 Look Stranger. 6.50-7.00 Tom and Jerry. 7.00-7.10 Newyddion. 7.10-7.40 'Steddfod '75. 7.40-8.10 Sporting Choice: Tony Jacklin. 11.45 News of Wales.

Scotland—6.00-6.25 p.m. Reporting Scotland. 9.55-10.25 Breathing Space. 11.45 Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-6.25 Scene Around Six. 11.45 Northern Ireland News Headlines.

England—6.00-6.25 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40 a.m. Open University.

10.25 Nai Zindagi Naya Jeevan.

11.00 Play School.

4.00 p.m. Cricket. Gillette Cup quarter-final—Lancashire v Hampshire.

5.00 Open University.

7.20 Newsday.

7.45 The Master Game.

8.10 The Ascent of Man.

9.00 Hans Christian Andersen's "The Shadow," narrated by Sian Phillips.

9.35 To Die, To Live—The Survivors of Hiroshima.

10.40 Cricket. Gillette Cup highlights.

11.10 News Extra.

11.29 Closedown: Lyndon Brook reads "In Hospital: Poona," (1) by Alun Lewis.

LONDON

10.45 a.m. "Sword of Sherwood Forest," starring Richard Greene. 12.05 p.m. Elephant Boy. 12.30 Larry The Lamb. 12.40 Rainbow. 1.00 First Report. 1.20 Lunchtime To-day. 1.30 Mr. and Mrs. 2.00 Good Afternoon. 2.30 The Unlucky Australians. 3.30 The Saint. 4.25 Michael Bentine's Potty Time. 4.50 Going a Bundle. 5.20 The Brady Bunch.

5.50 News from ITN.

6.00 Miss Thames Television 1975.

6.35 Crossroads.

7.00 Don't Ask Me.

7.30 Coronation Street.

8.00 Down The 'Gate.

8.30 "The Day The Earth Moved," starring Jackie Cooper and Stella Stevens.

10.00 News.

10.30 About Britain.

11.00 Barnaby Jones.

11.55 Go and Do Likewise?

All ITV regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 3.30 Boney. 5.20 Lassie. 6.00 About Anglia. 8.30 Shaft. 11.00 Oscar Peterson Presents. 11.30 The Big Question.

ATV MIDLANDS

1.20 p.m. Lunchtime Newsdesk. 3.30 Boney. 5.20 ATV Today, including Junior Police Five. 6.00 ATV Today. 8.30 Cartoon. 8.35 The Snoop Sisters. 11.00 Night Gallery. 12.00 The Gospel in Song.

BORDER

†1.25 p.m. Border News. 2.00 Houseparty. 3.30 Riptide. 5.20 Houndcats. 6.00 Border News and Lookaround. 8.30 Cartoon Time. 8.35 Tenafly. 11.00 The Baron. †11.45 Border News Summary.

CHANNEL

1.25 p.m. Channel Lunchtime News and What's on Where. 5.20 Circus. †6.00 Channel News. 6.10 Adventures in Rainbow Country. 8.30 TV Movie: "The Falling of Raymond." 9.50 Vision USA. 11.00 Night Gallery. 11.25 Epilogue.

GRAMPIAN

12.35 p.m. Lunchtime Call. 1.20 Grampian News Headlines. 3.25 The 1975 Cardiff Tattoo. 5.20 Out of Town. 6.00 Grampian News. 6.10 Farming News. 6.15 Love American Style. 8.30 Kung Fu. 9.25 Police Newsroom. 9.30 Orson Welles Great Mysteries. 11.00 Personal View: David Niven. 11.30 Evening Prayers.

GRANADA

10.30 Sesame Street. 11.25 Last Of The Curlews. 12.10 p.m. Around The World In 80 Days. 12.30 Hammy Hamster's Adventures On The Riverbank. 1.20 Take Kerr. 3.30 Shannon's Mob. 5.15 Gustavus. 5.20 Crossroads. 6.00 Granada News. 6.05 Reports Special. 6.30 Firehouse. 8.30 The Wednesday Film: "A Bullet Is Waiting," starring Jean Simmons and Rory Calhoun. 11.00 The Baron. 11.55 Inner Space.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 1.30 The Galloping Gourmet. 2.00 Houseparty. 2.30 You Can't Eat Scenery. 3.30 The 1975 Cardiff Tattoo. 5.20 Orbit. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Mr. And Mrs. 8.30 Rolling Man. 9.55 Gustavus. 11.00 Gilbert and Sullivan For All.

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 11.00 Rosko with The Radio 1 Roadshow. 12.30 p.m. Newsbeat. 12.45 Johnnie Walker. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 Anne Nightingale reviews the latest sounds. 7.00-12.33 a.m. As Radio 2.

RADIO 2

RADIO 3

RADIO 4

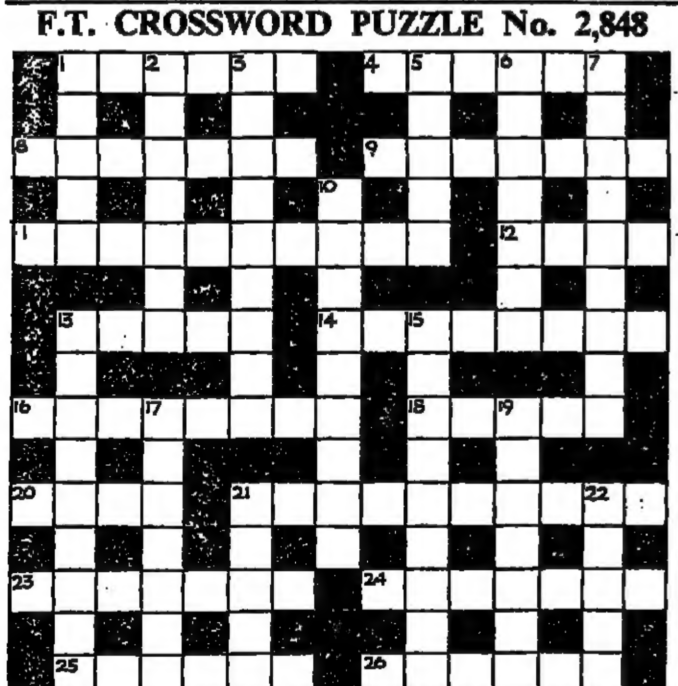
Cardiff Midday Prom: Part 2 (S). 1.45 Faure (S). 2.45 New Records (S). 3.50 Cantilena (S). 5.00 Choral Evensong. 15.45 Homeward Bound. 16.05 News. 16.10 Homeward Bound (continued). 16.30 Study on 3. 7.30 Proms: Concert (part 1): Dvorak, Arnold Cooke. 8.20 The Arts Worldwide. 8.40 Proms: Concert (part 2): Beethoven (S). 9.30 Interpretations on Records: Verdi's "Falstaff." 10.40 The Innocent Ear (S). 11.25 News.

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 2,848



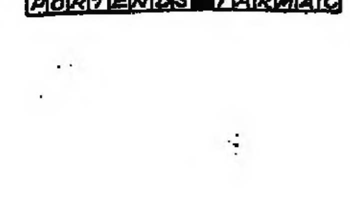
ACROSS

1 Nearly everyone after this month means to invest (6)
4 We need perception to give a copper to people (6)
8 What the bookkeeper has to do in a Constellation (7)
9 It's capital punishment when given to Fido (3, 4)
11 Perhaps stand low on final state of battle (4, 3, 3)
12 The expression is not exactly mine (4)
13 Bluestocking from 22 (5)
14 Moon-kissed youth in eternal sleep (8)
16 Literally for the Romans (8)
18 One from South Carolina takes the cake (5)
20 Objections return in counterfoil (4)
21 Soldier has to watch the investigator (7, 3)
23 Fine. You may get a kick out of it (7)
24 Doctor loses his tan in Sicily (7)
25 Drink in explosive surroundings—it's a gift (6)
26 Reproof when there is not so much to do (6)

DOWN

1 State of girl meeting with surprise (5)
2 Attlee's place in America (7)
3 You're doing fine when your star is in this (9)
5 Restrictive succession (5)
6 A thousand in the red at least (7)
7 Selfishness personified in the Senior Service (6, 3)
10 "Be good —— and let who will be clever" (Kingsley) (5, 4)
13 A couple of courses in confectionery (9)
15 "My character high tried vainly to ——" (Trial by Jury) (9)
17 The nag I bet on at Camptown (7)
19 Preliminary remarks from numbers one and two (7)
21 The Head has a quarter plate (5)
22 Possibly enemy country (5)

SOLUTION TO PUZZLE No. 2,847



Munich Festival—2

Carl Orff's Antigonae

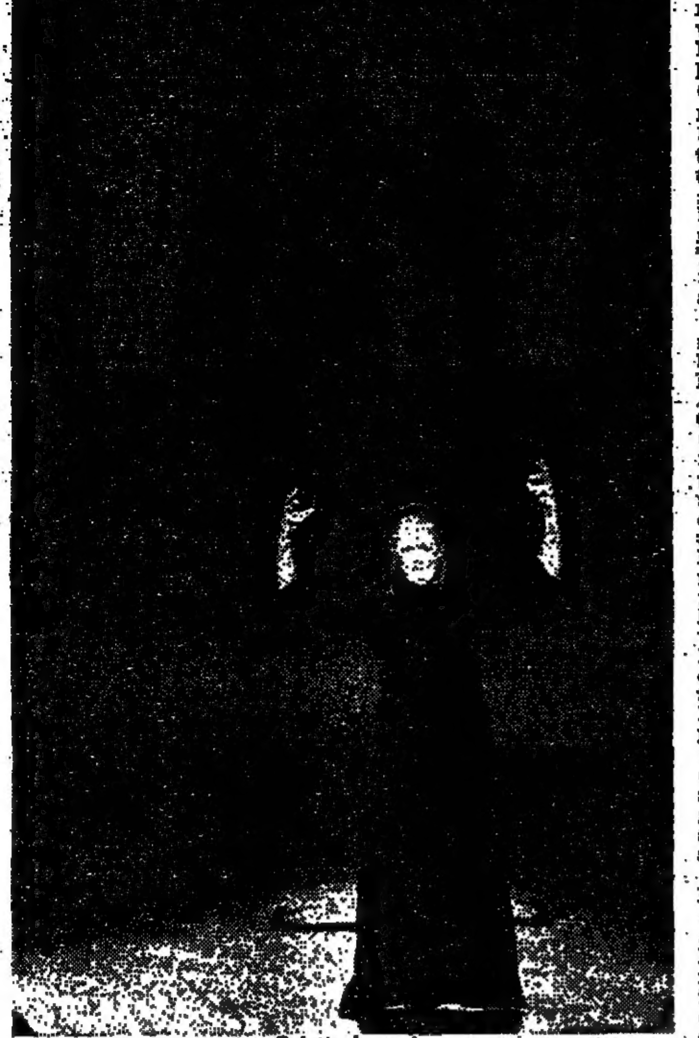
by ANDREW PORTER

Munich is a city where the renascence dream has been given form, where the continuing influence of classical art is most powerfully felt, where anyone who loves tradition, the past-in-the-present, and accumulated lore of centuries feels at home. Its Kurfürsten created baroque and rococo Munich; the Cuvilliés-theater was built for Max Joseph the Wellbeloved; Mozart's patron Carl Theodore opened the English Garden Theatre and park, and the rococo churches and palaces are still there for our delight. But then the 19th-century kings, Maximilian I and Ludwig I, shaped the city as a great classical metropolis. New York, despite its so-called "Greek Revival" buildings, is not a classical city; after a long spell there, a visit to Munich was needed to reaffirm Greek architecture, Greek drama, and Greek sculpture as the recurrent inspiration of Western art. Seeing the Barberini faun and the Aegina marbles once more housed in Klenze's Roman-vaulted Glyptothek, entering the National Theatre beneath Fischer's majestic neo-classical portico, the visitor is drawn again into the northerners' dream of antiquity—Goethe's, Kleist's, Hölderlin's, Thomas Mann's.

The 19th-century recreations of renaissance Florence are also there, to remind him that it is not only a northern dream; that Donatello, Michaelangelo and Bernini sought to emulate antique greatness and technical skills; that the art of opera itself arose in Florence as a deliberate endeavour to recreate Greek drama, while Gluck and Wagner initiated their reforms by looking back to that source. The Munich composer Carl Orff is one of the latest to seek a return to and re-statement of first principles. So his *Antigonae* made a good start for a visit to the Munich Festival.

Orff knows the theatre in all its aspects. He began his operatic career in earnest in the twenties, by exploring the roots of the art in Monteverdi "realisations." Before that, he was repetiteur and conductor in the pit of the Munich Kammerspiele, at the time of its famous Strindberg, Wedekind and Brecht productions. He wrote an opera on a Japanese subject and began others on Maeterlinck and Strindberg plays. *Carmina Burana* appeared in 1937; then the Bavarian works *Der Mond*, *Die Kluge*, *Die Bernauerin* and *Astutuli*. And then, at the 1949 Salzburg Festival, *Antigonae*. I remember the première well. It was a hot afternoon; thunder was rolling around the Salzkammergut. Messrs. Schott had thoughtfully set out a copy of the text on every seat, and since the performance was in the Rocky Riding School there was light enough to read it by. But I soon stopped following, partly because my German wasn't really up to Hölderlin's elaborate language, principally because the spectacle and the sounds were so enthralling. *Oscar Fritz Schuh* was the producer, Gaspar Neher the designer. They had put the cast (led by Res Fischer in the title-role, Hermann Uhde as Creon, and Fritz Wunderlich as Haemon) into masks and buskins; the chorus sat around in a semicircle. It was an influential production: Wieland Wagner owed, and owned, his debt to it.

In a sense, *Antigonae* is Sophocles' play seen, as it were, through two perspective frames: Hölderlin's ardent translation, and then Orff's declamatory (and uncut) setting of it. But in performance the listener is



Colette Lorand

simply caught up directly in the great play and its great issues, and any consideration of the means of expression waits till afterwards—when studying the score or listening to the records. Orff employs a large and unusual orchestra. His score specifies six each of grand pianos, flutes, oboes, and muted trumpets; four harps; nine double-basses; seven or eight timpani and percussion to keep from 10 to 15 players busy. In practice, the forces tend to be reduced. But the numbers are not mere extravagance: for example, the sound of six tenor trogxylophones (or failing them, marimbaphones) beating, then stilled one by one, produces an effect for which a diminuendo on one or two instruments would be no adequate substitute.

The words come through with force and clarity. Orff uses many kinds of declamation: straight speech but not much of it; monotone declamation; stichomythia on one note (Creon/Haemon), across octaves (Creon/Antigone, Antigone/Ismene), or with varied intervals (Creon/Tieresias); chant with powerfully marked intervals that seem to make each step or leap an "event"; and sudden garlands of diatonic or chromatic melisma. The six grand choral odes that punctuate the work are splendidly varied and expressive. The fourth, to Aphrodite, breaks into chains of thirds. The Danae ode is extraordinarily violent, and then becomes tender as the chorus turns from considering precedents for Antigone's fate to sympathising with her. The Bacchic ode is tremendous. All of these require—and, from the men of Munich chorus, received—virtuoso singing with precise rhythms and clear words.

Orff works mainly through rhythms and through sounds. There are no symphonic developments in his score. Counterpoint is usually confined to simple imitations. The harmony is uncomplicated affirmation or contradiction. Although his techniques are far from simple, their effect is direct. Primitivism is the charge levelled by those who scorn his music, but Andreas Liess' comment (in his monograph on the composer) seems to me just: that this primitivism "touches, simultaneously, the deepest, most secret centres of both spirit and the senses. Orff, both as a musical and a dramatic artist, has found the secret point where physical and spiritual vibrations interact. . . When he summons the vital powers by gesture, dance, word, image, and, not least, the rhythm of urgently insistent repetition, he advances towards that centre of human experience where vital excitement arouses spiritual emotion."

Not everyone agrees. *Carmina Burana* can arouse reaction as violently hostile as that to Kurt Weill's music. In a poor performance it can sound merely vulgar or babyish. The scores are meant for listeners who are not "pure" musicians, who do not draw dividing lines between music and theatre; romance and ritual; music, action and words; who are open to "operas" like Peter Brook's *Orghast* and Robert Wilson's *Deafman Glance* and can, on some level, make a connection between reasoned argument and irrational surrender to sensuous theatrical experience. It probably helps to have heard Orff himself read—as once he did, memorably in the Park Lane Theatre—from his librettos. The force and passion of the man are overwhelming.

The Munich performance—a new production by Günther Rennert—was exceedingly good. In 1951 Solti conducted an *Antigonae* in the Prinzregentheater which had most of the chorus static, *Oedipus Rex*-like in two rows along the front of the stage while the principals and the chorus-leaders played on a platform behind them. For the new production, Rudolf Heinrich had designed a "real room" of a kind in which matters might be debated, a kind of classical chapterhouse with benches down the sides and light pouring in from a circular opening above. It was strong theatrical architecture, tellingly lit. The production was more plastic than Salzburg's—big, bold gestures, and much variety in choral groupings, not quite symmetrical but balanced. Wolfgang Sawallisch, an Orff specialist, conducted a very sure performance.

The heroine was Colette Lorand. She made her Covent Garden debut, many years ago, as Violetta; now she takes roles like Salome, and Jeanne in Rennert's production of Penderecki's *The Devils*. She might be described as a less hectic, more classical kind of Anja Silja, with a voice more securely handled. About ten high notes, in this long, taxing and far-flung role, splayed and spread, but they could easily be forgiven when hundreds and hundreds of others were sung with such intensity, confidence, dramatic power, and, often, beauty of tone. Ortrud Wenkel sounded very good as Ismene, but did not have quite Miss Lorand's theatrical presence. William Murray was a first-rate Creon. In fact, there was only one weakness in the cast: past devotion to the most exciting Isolde and Ortrud of my experience could not gloss the fact that Astrid Varnay, in the small role of Eurydice (Creon's wife), had lost not only most of her voice but also her once thrilling power to project a character. As Haemon there was a new lyrical, or possibly youthful-heroic (for example, Max in *Der Freischütz*), tenor, Thomas Lehrberger. Helmut Melchert was marvellously incisive in the role of Tiresias. Kieth Engen sang nobly as the Messenger. All in all, this performance represented Munich at its best.

Mermaid

Beetles and Buckman

by MICHAEL COVENEY

When I was young and innocent I trod the boards in a student production of *A Midsummer Night's Dream*. This production went to America at little cost to myself or my eager colleagues and to the great delight of the East Coast campi and Bostonian readers of The Tatler. My performance, as Titania's fairy, Cobweb, went largely unacclaimed except in the most discerning circles. My Mustardseed was played by one Rob Buckman, a then stalwart of the Cambridge Footlights, an organisation devoted to the propagation of laughter in undiscerning circles. Buckman was a great hit in America (he has rubber limbs and a rasping voice that can be grouchy and tuneful more or less simultaneously) and I quietly bided my time. So here I am reviewing his cabaret act. He hasn't changed. And thank God for that.

While the normal members of our happy student band were knocking back the whisky sours, chatting up farmers' daughters from the Deep South and listening to Golden Albums of The Lovin' Spoonful, Buckman and a few demented fellow Footlights went on with a late-night show which we all admitted was reasonably good. Some of those sketches are now available at Puddle Dock. They include a splendid spoof of showbiz cossack dancing, a brilliant, noisy evocation of beer-spilling rugger hearties and an inspired striptease in which Rob thinks twice before dispatching his watch (luminous) to the wings.

Unlike many of us on that American tour, Buckman has pursued a respectable career and become a doctor. Aided and abetted by Chris Beetles, himself a doctor with a pleasant, cuddly character and a history of student revue, we are consistently and agreeably reminded of the medical profession's talent for being funny and sharp. The night they invented champagne they also invented sinusitis, compound fractures, scarlet fever and schizophrenia. This we learn in the course of an uproarious number that would do miracles for anyone who thought that revue went out with the Ark and Alan Melville.

Beetles and Buckman perform with energy and charm and manage to make even the most familiar of material sound fresh-minted and inspired. The sketch/black-out formula does not bore me for as long as the sketches are as good as these and the black-outs as short. The material incorporates some marvellous ideas, such as the singing carpenter who can *only* sing as he saws; the schoolboy and master who each in separate asides, arrive at a shared and equally welcome masochism for the punitive measures about to be dispensed; and the Italian gigolo rehearsing his protégé in the clichés of bird-baiting. One sexist quickie will stand recounting. Beetles, butch and aggressive shambles on: "What's all this about ballet dancers being queer? *I'm* not a ballet dancer. And *I'm* queer." No more. The show, 70 minutes long, is well worth the succumbing to. For myself I am delighted to see Buckman back where he belongs, unsubtle and unfairy-like as ever. I still don't understand how he ever got the part. . . .

Albert Hall/Radio 3

Gerhard

by MAX LOPPERT

It was, needless to say, sweltering at the Proms on Monday. Roberto Gerhard's Violin Concerto, played by Erich Gruenberg with the BBC Symphony Orchestra under David Atherton, is not the easiest of compositions to have to place and tune accurately with sweaty fingers and hot foreheads. Much of the orchestral contribution was undistinguished. For the pleasure of hearing again music so colourful, outgoing, copious in inspiration and full of warmth, an exceptional amount of indulgence could be granted.

At his death in 1970, the Spanish-born composer had lived in this country for more than 30 years; yet it will be unwise ever to consider him too firmly a British composer, except one very much by adoption. Even in the adventures of the later, leaner works, but especially in "middle-period" mature works like this concerto (completed in 1945), the sensibility behind the music is marked by that fusion of passion, intellectual clarity and haunting melancholy that typifies the best of Spanish art and thought. With the passage of time, the serial elements in the concerto become less dominant than the pulse of dance rhythm hinted at and finally bursting forth, the voluptuous mirage textures, the emotional openness of the tone. In little things, such as the swirls of melody in the first movement, one remembers that Gerhard was a piano pupil of the composer of *La maja y el ruiseñor*, in the triplets and flashing turns of the cadenzas, that he was a fellow-countryman of Sarasate.

Not that too much should be made of these qualities in preference to the vigour and sharpness of the thought. In any case, Mr. Gruenberg, a violinist of keenly flexible technique and sharply rhythmic attack, employs a tone far less vibrant and rich than a more "Mediterranean" (and possibly more suitable) soloist might. The version played was the one with cuts made by the composer himself after the publication of the score—which is perhaps why the score is presently unavailable. In any case, that this is not one of the most popular 20th century concertos in the repertory of every virtuoso violinist on the concert circuit, is a mystery.

Mr. Atherton and the orchestra had begun the evening with a heavy-footed account of the Britten *Young Person's Guide to the Orchestra*. When Sir Adrian Boult took the podium after the interval, to lead his celebrated interpretation of the Vaughan Williams Fifth Symphony, it was, for a while at least, as though another orchestra were playing. To one who has found this symphony, in other, clumsier hands, wholly unsympathetic, the Boult performance comes as a revelation, opening a door on the world of unsentimental serenity behind what had been before only pontification and piety. There were a handful of awkward moments to set against playing of radiance and airy lightness.

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In my notice on the Fishguard Festival, *Idyll* was reported as being by Trevor Jones. The composer is in fact Trevor Roberts—my apologies to him.

Elizabeth Hall

Summer music

Neville Marriner has hung this year's summer music on South Bank round the stout stem of the chamber music of Brahms. Monday's oddly planned concert started with the Second Clarinet Sonata (in E flat) before passing on to chamber orchestral works by Bartok and Haydn. Why such a mixture should work (as it often does) at the Proms but not on South Bank is hard to imagine, yet this example fell short of what it promised on paper. The inclusion of two intervals may have been the mistake—would the audience have objected to the presence of music stands on the platform during the Sonata?

Brahms's mellow musings were in the capable hands of Gervase de Peyer and Richard Goode, a pianist with a striking gift for the rise and fall of a Brahmsian phrase. In the first two movements he slightly overdid this—not a question of dynamics but of absolutely matching pianistic expression to the sound-world of the clarinet (piano and clarinet are much unhappier bedfellows than piano and violin). Mr. de Peyer rolled out many a sensitive period in these movements, but he sounded happier in the variation finale, where the two worlds began to draw together.

Of the orchestral works, with Mr. Marriner conducting the Academy of St. Martin-in-the-Fields, the Bartok Divertimento fared the better of the two. Strange work, except for the finale remarkably un-diverting, written for Paul Sacher at a time (1940) when Bartok's existence was reflecting the state of the world, an unsettled first movement with fierce laments breaking into melancholy lyricism, then a *molto adagio* of appalling inner loneliness. This movement came over strongly. Of the outer ones the precise chording, shading, and attack produced more satisfying results in the finale. Haydn's splendid Sinfonia concertante, disappointingly, was a bit of a scramble, with only the oboe soloist Neil Black giving continuous and unalloyed pleasure.

RONALD CRICHTON

Welsh National Opera's autumn plans

Welsh National Opera's autumn repertoire includes new productions of Verdi's *Otello* with Alberto Remedios in the title role and Janacek's *Jenufa* with Josephine Barstow in the title role. *Jenufa* is mounted jointly with Scottish Opera.

The remaining productions, retained from the spring season, are Mozart's *Così fan tutte* (Cardiff only), Puccini's *Manon Lescaut*, Offenbach's *The Grand Duchess of Gerolstein* and Bizet's *The Pearl Fishers* (which returned to the repertoire in Llandudno).

The four week Cardiff season runs from September 2 to October 4. This is followed by visits to Swansea (October 13-18), Birmingham (October 21-November 1), Bristol (November 4-8), Manchester (November 18-29) and a fortnight in Oxford (December 2-13) for the first time.

'Travesties' for the Albery

The Royal Shakespeare Company's production of Tom Stoppard's award-winning comedy *Travesties* is to have a third run in London before it leaves for Broadway in October. It will transfer to the Albery Theatre, to open on Wednesday, August 13, for an eight week season.

The Gay Lord Quex ends its run on Saturday next, August 9. John Wood will continue in the role of Henry Carr.

Television

Dedication

by CHRIS DUNKLEY

The similarities between *The Cabinet Of Dr. Caligari* and *The Jay Interview* are not entirely obvious at first glance. The differences between them are almost endless: *Caligari*, which was shown on Saturday as the first half of a BBC-2 double bill in a new series called *Midnight Movie Fantastic* was made for the cinema (and, marvellous film that it *is*, I have reservations about the value and the justice of showing it on a screen which represents people as smaller than life size, even if the colour tinting and the music were better on television than one has ever seen at the NFT or the Everyman) whereas *The Jay Interview*, broadcast late on Sunday, was made for television by London Weekend.

Caligari is, almost incredibly, 56 years old while *The Jay Interview* was the first in a new series. *Caligari* is fiction, *The Jay Interview* not, and there are plenty more differences. Yet they have one vital characteristic in common: when I read back through the notes I had made on the two programmes I found that I had unwittingly used the word "dedicated" or "dedication" not once but twice in each cast to describe aspects of the work. That the dedicated artist—be he film maker or broadcaster, or for that matter bricklayer—should have greater success than others who are indifferent about their jobs may seem like a truism.

Furthermore, it may be argued that *Crossroads* and *It's A Knockout* and *Sale Of The Century* are made with tremendous dedication by people whose only object is to please. What set *Caligari* and *The Jay Interview* apart, however, was that the dedication which could be detected beyond the surface of the screen was *not* a dedication to the maximisation of audiences, but to some internal value which, one felt very strongly, the makers would have adhered to even if they had known that only a handful of viewers would ever see their work.

Of the two *Caligari* is clearly the more "commercial" in that it was created in the expectation of attracting a paying audience into a cinema. Nevertheless, it is extremely difficult to believe that director Robert Wiene, writers Mayer and Janowitz, or Werner Krauss who played Caligari, would have been willing to modify their work (on this particular film, anyway) in any major respect simply in expectation of increasing the size of the audience. There is an almost exhausting intensity in the film—to this day it breathes heavily through the acting, the camerawork, even the insistent crookedness of all the set design and decoration—and speaks for the deep involvement of everyone connected with it.

The Jay Interview exemplified a completely different sort of dedication; the sort for which the BBC Third Programme rightly became famous. In six episodes the series is seeking nothing less than a review of western civilisation—and not in the quali-pop manner mastered so successfully by the late Professor Bronowski,

Peter Jay

either. On the evidence of the first episode it seems that *The Jay Interview* will be making no concessions at all to the "mass" implications of this supposed mass medium.

It is a dedication, one assumes, inspired by executive producer John Birt as much by producer Julian Norridge. This seems a logical assumption because it was Birt, producer of *Week-end in World*, who recently enlivened the debate about current affairs broadcasting with his argument that television tends to promote a "bias against understanding" as a result of its fragmented efforts and *The Jay Interview* looks like a determined attempt to overcome this by driving as many important fish as possible into one little bit of the ocean and then casting television's net sufficiently wide to capture them all at once.

It is unusual enough to find a television programme concerned with asking a question as fundamental as "Why are we here?" but to find one like this, devoting an hour to putting the problem to Bernard Williams, Knightsbridge Professor of Philosophy at Cambridge University, rather than to Zsa Zsa Gabor or Mr. Teasy Weasy, is immensely heartening. One's only regret is that Peter Jay's questions were so much more tortuous and obscure than Williams's responses.

Perhaps the most significant aspect of the series, though, is that its dedication and seriousness are in the great tradition of the BBC's Third Programme, its intended scope is as wide as that of the average series of BBC Reith Lectures, and yet it is being mounted by London Weekend Television for the commercial network.

This should no longer come as a surprise because although ITV started in the fifties by seducing BBC audiences with amusing rubbish, forcing the corporation to win back a half share of viewers by producing slicker rubbish, the area of the contest broadened in the sixties, and shifted altogether in the seventies in such a way that the Beeb's remaining area of high ground—"serious" programmes and in particular current affairs—has for some time now been occupied by equal numbers of BBC and ITV forces, and recently ITV have shown distinct signs of being in the ascendancy.

This Week, World In Action, News At 10, and *Weekend World* (blighted by a ludicrous transmission time) often have the edge over their nearest BBC counterparts, and it is scandalous that the Thames programme *People And Politics* is not nationally networked since it is the only series of its sort made by any channel in this country. (On the night of the Newham Labour group meeting with Reg Prentice it was no surprise to find that Llew Gardner and the *P & P* team had hired a room in a local pub, from which they broadcast a passionate, articulate and highly informative meeting immediately after the decision on Prentice had been taken. The BBC's coverage was pitiful in comparison.)

There have been programmes broadcast in the past week by the BBC which have been marked by a plainly discernible dedication—but if any of them have been of an intellectual calibre worthy of the old Third Programme then I have missed them.

From BBC Birmingham there was the 250th edition of *Gardener's World* in which Percy Thrower and Arthur Billitt, crouching in the fruit garden at Clacks Farm, showed me how to nip out the second strawberry runner from the parent plant on the very day that I happened to have found multiple runners on my own plants and wondered what on earth to do about them. Thrower and Billitt are men who, so far as one can tell, have devoted their whole lives to gardening and their programmes are quiet, sane intervals full of the evidence of a dedication to something quite independent of audience figures.

The Private Life of the Cuckoo filmed by Maurice Tibbles for the Bristol series on BBC-1 was everything I had expected it to be and rather more; and for anyone who has ever tried watching birds in the wild even half-heartedly for a short time, there was evidence of astonishing patience and dedication in practically every frame of this film. The sequence showing the cuckoo nestling heaving the legitimate offspring out of the nest was enough to make you hold your breath. I held mine, anyway.

And *Man Alive's* second compilation of clips from ten years of programmes showed for the second week running the devotion that Desmond Wilcox and the entire unit used to have to the bizarre, the exotic and the downright peculiar. (Remember "Take Off Your Clothes And Live"?) In many respects *Man Alive* has been a seminal series and its implicit yet clear scale of values in later years has been one of the most important things which have been borrowed from it by other programmes. One hopes that in its new hydra-headed form its unmistakeable character won't be lost.

The private life of the cuckoo, the pricking out of strawberry plants and the domestic activities of a nudist family are all fascinating subjects. Programmes about them which are inspired by an inner-directed dedication are measurably more valuable than programmes devoted to an outgoing universality of appeal. But if the BBC intends to stay in the running in the field of current affairs it must start to look to its laurels.

WORLD TRADE NEWS

South East Asia seeking more trade with EEC

BY OUR OWN CORRESPONDENT MANILA, August 5.

A 24-MAN delegation from the European Parliament has begun talks with Philippine Government ministers aimed at improving relations between the Association of South East Asian Nations and the EEC.

The delegation, which is headed by Mr. George Spenale, president of the European Parliament, is spending three days in the Philippines as part of a tour of ASEAN countries.

Mr. Spenale told Mr. Carlos P. Romulo, Philippine foreign secretary, that the EEC was prepared to import more products from ASEAN countries and give more technical co-operation on new developments as part of its drive to improve trading links.

At present, only 12 per cent. of the Philippines U.S.$2.57bn. of exports go to the EEC. The Netherlands was the biggest importer last year, taking $160m. of goods, or more than half the EEC total intake. Britain imported $56m. worth of Philippine goods, but exported $132m. worth here.

The British member of the party, Mr. James Scott-Hopkins, said several sectors of possible co-operation with ASEAN countries had already been identified and the mission would make concrete proposals on its return.

The visit to ASEAN countries coincides with the first agreement for trade liberalisation among ASEAN countries. India, Laos, the Philippines, South Korea, Sri Lanka and Thailand signed a pact in Bangkok last Friday which Mr. Troadio T. Quiazon, Philippine secretary of trade, sees as the first step towards an EEC-type trading union in Asia.

The second South East Asian and Japanese Businessmen's Conference, which ended here last Friday with expressions of mutual goodwill, has apparently failed to heal the rift between the participating countries.

Developing countries of the Association of South East Asian Nations were seeking support for their claims for greater access to the Japanese market and assurances of stabilised Japanese demand for their raw materials.

On the other side, the Japanese sought to eliminate discrimination against their exports and wanted to secure support for their proposal of fixed-price raw material supply contracts.

The ASEAN nations (Indonesia, Thailand, Malaysia, the Philippines and Singapore) began the conference with a day of private talks from which the Japanese were excluded. Having apparently decided their strategy, the conference went into full session in private. But despite expressing satisfaction at the final public session, delegates from both groups have privately suggested that the air of mutual suspicion which followed Japanese cutbacks of imports from South East Asian countries had not been dispelled.

The resolutions finally passed by the conference included an agreement to adopt a co-operative marketing programme for common exports and commodity products exported outside the region to ensure stable price and supply contracts. Another agreement provided for co-operative procurement of capital equipment and industrial inputs from countries outside the region to obtain favourable prices and steadier supplies.

West German technology

BY LESLIE COLITT BERLIN, August 5.

WEST GERMANY'S role as a net importer of advanced technology, which is then exported in the form of finished products, is underlined by statistics just released. West German industry last year spent DM1bn. (£182m.) more to obtain licences for foreign patents than it was able to sell abroad. The rate at which "know-how" is being imported by West Germany rose 16.5 per cent. in the first quarter of this year to DM339m. (£61.9m.).

The West German Chamber of Commerce says this is taking place despite a growing foreign interest in obtaining West German technology. The main reason for the deficit, according to an analysis by the Chamber, is the heavy taxation on licences exported. That is said to turn them into a loss-making business.

The Chamber recommends that taxes on working capital and property be eliminated from licence fees to improve the export of "know-how." On corporate income taxes, the Chamber points out that the deduction of foreign taxes as operating expenses should be permitted, as in the U.S., U.K., Japan and France.

The study is said to show that foreign competitors can offer lower prices on technology exports than West German companies because of "more favourable tax allowances." This is offered as a reason why West German companies lose out in large international deals where there is a combination of plant construction and transfer of technology.

The Chamber urges that licence-fee countries, in particular the developing states, should lower taxes on the import of German technology "in their own interest." In particular, they should permit the deduction of licence fees for subsidiaries of foreign companies.

Contracts Abroad

CIT-ALCATEL, Paris, a CGE group unit, will manufacture 2.62 kms of undersea telephone cable costing £16m. to link Dakar and Abidjan, extending the existing link between France, Morocco and the Senegal to the Ivory Coast.

HAWKER SIDDELEY BRUSH Pty., with R. A. LISTER NEW ZEALAND will make and instal generating plant costing £1.25m. for the Auckland Regional Authority's Manku sewerage works.

CREUSOT LOIRE ENTERPRISES, Paris, will construct a 50,000 tonnes-a-year aniline plant in Portugal for Amoniaco Portuges. The contract involves a credit of around £16m. over 10 years at 7½ per cent.

IHC HOLLAND, the Dutch offshore industry group, is to build two cutters of 5,000 cubic metres for the Brazilian Government at a cost of £14.2m.

Israel a major world producer of bromine

BY L. DANIEL TEL AVIV, August 5.

ISRAEL IS now the world's third largest producer of bromine, having taken the place of France in 1974. Bromine production by the Dead Sea works was trebled to 18,000 tonnes between 1967-1973. Yet another big increase to 50,000 tonnes per annum is planned for the next five years, which would make Israel second only to the U.S. Israeli output would then account for one-sixth of the world production. As export sales this year already will bring in $30m., bromine will clearly become one of Israel's major foreign currency earners by the end of the decade.

Expansion of bromine exports had been held up till now by the EEC protective tariff and the Arab boycott. Even the recently-concluded agreement between Israel and the EEC limits the reduced European tariff for bromine and bromine compounds to a maximum 1,800 tonnes a year. The quota will be abolished only in 1979.

While other bromine producers use 70 per cent. of their output for making ethylene dibromide (for use as an anti-knock additive in petrol) the Dead Sea Bromine Works were prevented from doing so as foreign oil concerns feared being blacklisted for maintaining ties with an Israeli supplier.

The Israeli concern therefore developed other bromine compounds, particularly agricultural pest control lines, compounds for fire retardants and plastics and for water purification and disinfection. Part of the bromine output is processed into compounds by the Israel companies' Dutch subsidiary Broomchemie.

Report from Israel

Shortage of cement

By L. Daniel

TEL AVIV, Aug. 5.

LARGE-SCALE building activity by residents of the Occupied Territories has left the Israeli market short of cement, in spite of lower home construction within Israel. Nesher, the local cement producer, has just signed contracts with importers to buy in Europe 100,000 tonnes. Demand by residents of Israel and the Occupied Territories is currently 200,000 tonnes monthly.

Aircraft

Export sales of Israel Aircraft Industries are expected to double annually during the next two years, and for the current fiscal year are put at $55m.-$60m. Demand is constantly growing for aircraft, patrol boats, missiles, communications and radar systems, and a variety of other military and civilian items.

Electronics

Tadiran, one of Israel's "Big Three" electronics manufacturers, trebled first-half 1975 exports to $24m. against a year earlier, having already exceeded the whole-year 1974 figure of $18m. A joint Israeli-U.S. venture, Tadiran's 1975 export target is $52m., predominantly of military communications equipment. The proportion of non-military equipment being sold abroad, however, is increasing steadily.

Diamonds

Israel's polished gem diamond exports improved in July to $50.45m., or 9.6 per cent. above a year earlier. But the rise did not offset the decline of preceding months, so that the January-July total of $323m. was 4.2 per cent. below the comparable 1974 period. Currency earnings, however, were stable as the melees on which the industry now concentrates almost exclusively yield more net foreign exchange than large stones. The Diamond Exchange is closed this year for a fortnight from August 1 instead of the usual one week.

Exports

Israeli agricultural exports rose 47 per cent. in the first half-year compared with an increase in total exports of only 11 per cent. Sales abroad of both fresh and processed produce are expected to reach I.£500m. by 1980. Half-year textile exports fell 33 per cent. to $23.4m.

IN BRIEF

China-Japan fisheries

After two years of negotiations a Japan-China fishery agreement has been initialled and will be signed in Tokyo on August 15. No details have been disclosed.

Hapag-Lloyd

Hapag-Lloyd, Hamburg, is starting on September 15 a weekly Conference container service between the U.K. and Canada, via Halifax, serving the U.K. ports of Felixstowe and Greenock. Transit time to Halifax is six days after leaving Greenock, the last European loading port.

Selling to Japan

A conference on selling consumer goods in Japan, "Market 100 Million," is being held at the Cafe Royal, London, on October 14, organised by the British Overseas Trade Board. It follows the success of 62 British store promotions in Japanese department stores last May.

Bourbon whisky

New Zealand is now second largest importer of Bourbon whisky according to U.S. Government figures, coming second only to West Germany, which although it imports eight times more than New Zealand, has a population 20 times larger. U.S. Bourbon has created problems for New Zealand's recently established domestic whisky industry, which is having trouble making headway against imported Scotch, U.S. and Japanese whiskies.

Exhibitions

● Forty British companies have so far registered with the British High Commission at Accra for participation in Ghana's Third International Trade Fair in February, 1976. Mr. Frank Mills said the High Commission expected more British companies to display individually at the Fair. The U.K. Government, he added, had acquired 641 square metres of space for companies that wanted to participate. Many countries from both East and West, as well as Africa, will attend.

● Thirty-seven U.K. companies are showing at three exhibitions in Romania and Russia this month and next. At the International Exhibition of Computers and Ancillary Equipment, Bucharest (August 25-30)—the first of its kind in Eastern Europe" buyers are expected from China, Iran, Kuwait and Eastern Europe. At Donetsk (August 28-September 7) the Exhibition of Mining Industry Equipment will be visited by 30,000 Russian engineers and managerial staff. The Moscow (September 2-16) International Exhibition of Equipment and Appliances for Mechanisation of Designing Technical and Office Work is one of the two major 1975 trade fairs, with exhibitors and visitors from most East and West European countries, North America and Japan.

AMERICAN NEWS

Kissinger 'hopeful' before meeting with Israel envoy

BY ADRIAN DICKS WASHINGTON, August 5.

DR. HENRY KISSINGER, the Secretary of State, resumed his go-between role in the Middle East peace search to-day by calling a meeting with the Israeli Ambassador to Washington, Mr. Simcha Dinitz. He was expected to convey to Israel the Egyptian response to Israel's most recent proposals on disengagement of forces and reapportionment of territory in the Sinai.

The Egyptian response was delivered to the Secretary of State and to President Ford in Belgrade on Sunday by the U.S. Ambassador to Cairo, Mr. Hermann Eilts. There has been no word from the U.S. side to indicate the tone of the Egyptian message, although the President was quoted as saying he remained cautiously optimistic about the prospects in the Middle East, and Dr. Kissinger said over the weekend that he was hopeful that "we can move it forward" as a result of the exchanges still taking place.

Meanwhile the Washington Post reported to-day that the American authorities are holding up export licences for a wide range of military equipment requested or ordered by Israel, some of it in the pipeline since well before Mr. Ford announced last March that a review of Middle East policy was being undertaken.

According to the Post's sources in the U.S. Government, licences for dozens of items normally granted as a matter of routine have been held up. They are said to include spare engines for the F-4 Phantom and for the Israeli-built Kfir aircraft, parts for tanks, electronic and night vision equipment, and artillery upgrading kits.

The Post also reports that in some cases Israeli officials have contacted manufacturers of the items held up and have learned that many are ready for shipment. An obvious implication, therefore, is that the official U.S. policy of leaving the supply pipeline open to the Israelis is in fact being altered in practice in such a way as to keep supplies at a low level while Dr. Kissinger's current round of peace discussions is in progress.

However, the Administration has already got itself into difficulties with Congress over proposed arms sales to Arab countries, and could face further embarrassment if there is confirmation of a go-slow policy on sales to Israel.

Last week it was forced to withdraw a request for Congressional permission to sell a $350m. air defence system to Jordan — a commitment that appeared to have been made while the Middle East policy review was still under way. Yesterday it was confirmed that the State Department had been discussing a sale of about $10m. worth of assorted weaponry to North Yemen.

Meanwhile the Israelis are understood to be revising their own shopping list of new weapons (as opposed to those already in the pipeline). The State Department spokesman confirmed yesterday that an arms purchasing mission is expected here later this month to discuss a $2.5bn. package that was first presented to the Administration early last spring.

Big new Canadian mine find anticipated

By Robert Gibbens

MONTREAL, August 5.

TEXAS GULF INC., now 35 per cent. owned by the Canada Development Corp. and finder of Canada's richest silver-zinc mine near Timmins, Ontario, in the 1960s, may be on to a major new mine near Yellowknife in the North-West Territories.

Texas Gulf has a claims group of 23,000 acres near Izok Lake, 225 miles north of Yellowknife, and has drilled 29 holes on the property. It has released assay results on the first 14 holes which showed zinc values up to 20 per cent., copper values of two per cent., lead to two per cent. and silver values averaging about two ounces per ton.

Individual sections showed much higher values of copper, lead and silver. The structure appears highly contorted and there is wide variation between sections, Texas Gulf said, though metallurgical problems would not be likely. The company has a rough idea of tonnage but is not revealing the estimate until further drilling is completed.

It said that copper values seem to be getting richer as the drills move east on the structure. Although it cited access problems, these would not be serious if the property proves to be a large potential mine.

Fed pressed to relax tight credit

By Jay Palmer

NEW YORK, August 5.

THE U.S. Federal Reserve Board, following its disclosure last week that its moves to hold back the growth in money supply had helped to push interest rates higher, is coming under increasing pressure to ease its tight credit stance. Of particular concern at the moment is evidence suggesting that rising interest rates are cutting back deposits at savings institutions seriously enough to damage hopes of a sustained recovery in housing.

Last week Dr. Arthur Burns, the Chairman of the Federal Reserve Board, admitted that Fed open money market operations had helped to send interest rates higher. This Fed policy was defended on the grounds of having to bring back the temporary boom in money supply to targeted levels of between 5 and 7½ per cent.

However, this policy is now being bitterly criticised on the grounds that any temporary increase in money supply (stemming from tax rebates and special social security payments) would do far less damage to the economy than the cure of rising interest rates.

Foreign ownership in Venezuela oil decried

BY JOSEPH MANN CARACAS, Aug. 5.

FORMER VENEZUELAN President Rafael Caldera has spoken out here against the formation of mixed capital companies in the petroleum industry after nationalisation.

In his first comprehensive public statement on the Government's oil industry nationalisation scheme since leaving office in 1974, the ex-President argued strongly against foreign ownership in the Venezuelan State oil industry, which will become a reality some time this year.

Sr. Caldera, opening a debate on the nationalisation measure in the Venezuelan Senate, called for an "integral" takeover of the country's multi-billion dollar oil industry. The position assumed by the former President, who is also the symbolic leader of the nation's most important political opposition group, the Social Christian Copei Party, seemed to crush hopes for a reconciliation between Copei and the Government party, Democratic Action.

The Government defends its desire to permit associations with foreign oil companies under certain circumstances after nationalisation, saying that Venezuela will need advanced technology to efficiently manage her oil industry, the largest and most complex in Latin America.

Copei and the parties farther to the Left have demanded a "complete" nationalisation with a very limited role for foreign oil companies. Venezuela, which produces about 2.3m. barrels of oil daily, will take over its most important industry some time this year. The Venezuelan Congress has ben studying the oil nationalisation measure since mid-March.

Sears sued over advertising

LOS ANGELES, August 5.

THE CALIFORNIA State Attorney General's office has said that it is seeking a permanent injunction forbidding Sears Roebuck and Co. from continuing alleged false and misleading advertising and unfair business practices.

The suit, filed in Superior Court, claims that Sears for the past three years has been printing advertisements which were "arranged and composed in a manner which created the impression that all the items appearing were available at sale or reduced prices, when in fact they were not."

Reuter

GM discloses Korea payment

By Jay Palmer

NEW YORK, Aug. 5.

GENERAL Motors has disclosed that the Shinjin group, its equal-share partner in General Motors Korea, made a previously undisclosed political contribution of $250,000 in 1972 ostensibly on the American motor company's behalf.

GM told the Senate sub-committee looking into the operations of American multinational corporations that it had never authorised this payment, it did not know who the recipient was and that it had been trying unsuccessfully ever since to recover the money. The car company's disclosure followed earlier denials that it had ever made direct political contributions in Korea. The company had admitted making contributions to non-political organisations in that country and directly to political parties in Canada.

GM said that the payment had been made in the autumn of 1973 by the Shinjin group "on behalf of General Motors Korea." Since then, the company said, GM Korea has received repeated requests from its partner to reimburse the joint-venture for a portion of the contribution.

UNMANNED SPACEFLIGHT

Viking raid on Mars

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WITH MANNED U.S. space flights now ended for the next few years, the countdown is well under way for the launching at the beginning of next week of America's most ambitious unmanned space venture so far—the $850m. programme to put two "automated laboratories" of scientific instruments on to the surface of Mars by the summer of next year.

For several months, those laboratories are expected to take pictures, and to conduct a detailed scientific examination of the surface of the planet, including a search for "extra-terrestrial" life, relaying the information back to earth.

The Viking programme, as it is called, is significant because it reflects the emphasis towards unmanned activities that the American space programme began increasingly to adopt as the manned Apollo programme approached its end with the recent U.S.-Soviet Apollo-Soyuz link-up in near-Earth orbit. With no more manned flights of any kind planned until the Space Shuttle system becomes operational around the end of this decade, the National Aeronautics and Space Administration (NASA) henceforth will be concentrating on all the various unmanned activities of space research, both to gain the maximum amount of new knowledge from a limited budget and to convince a sceptical public and Congress that money spent on space is worthwhile.

Thus, a whole new generation of "applications technology" satellites is being born—such as Marisat for maritime communications, Aerosat for aeronautical communications, a series of Landsat's for earth-resources monitoring, and Seasat for the study of the oceans, with ideas gestating for even bigger ones, such as Powersat—a long-term multi-billion dollar idea for a vast "power station" in space, several miles across, that would look like a star at night and tap the sun's energy and relay it to earth.

These are very much the bread-and-butter type of space applications, whose objectives the man in the street can understand. There are many other, much more scientifically-oriented satellite ventures, designed to extend man's knowledge of the planet on which he lives and its relationship to the rest of the Solar System.

Beyond this, however, there is a deeply-felt need inside NASA to go even further, to extend that knowledge to cover the outer planets themselves. Already, there have been some significant unmanned "deep-space probes"—such as to Jupiter and Venus; the Mariner "fly-by" missions to Mars in 1965 and 1969, which produced photographs of the Martian surface; the 1971-72 Mariner 9 orbital flight of Mars which produced over 7,000 detailed pictures of the surface and encouraged scientists to seek more knowledge; and the Mariner-Mercury III venture earlier this year which took a third and much closer look at Mercury from 200 miles up.

From those beginnings, the Viking venture took shape. For the past three years or so, it has provided employment for many hundreds of workers in the U.S. aerospace industry and in NASA, and by the time it ends in early November, 1976, it is estimated that it will have cost more than $850m. to mount and run, undoubtedly the most expensive unmanned space venture conducted by the U.S. to date.

> At more than $850m. to mount and run, it is undoubtedly the most expensive unmanned space venture conducted by the U.S. to date.

The plan is to launch two spacecraft, Vikings 1 and 2, to Mars, with the first due to go from Cape Canaveral Air Force Station (part of the Kennedy Space Centre in Florida) next Monday, and expected to arrive at Mars, if all goes well, by about June 18, 1976. There it will remain in orbit for a period of between two weeks and 50 days, before dividing into an "Orbiter" and a "Lander" craft. The Orbiter will map the surface and take the Mars "atmospheric pulse," looking for signs of life, while the Lander will go down to the surface to conduct a much more ambitious scientific examination. If all goes well, the aim is for the Lander of Viking 1 to touch down gently on the Martian surface on July 4, 1976, the 200th anniversary of the U.S.

Viking 2 is due to leave Cape Kennedy towards the end of this month, about August 21, and to arrive at Mars about seven weeks after Viking 1, in early August, next year, having taken a longer, looping journey through space, covering some 505m. miles. After a period in orbit, its Lander craft will touch down on the planet on about September 9, next year.

Each Viking is packed with instruments that will be used to conduct a wide range of scientific investigations. The two Orbiter craft will photograph the planet and map its atmospheric conditions, to yield information on water concentrations, surface temperatures, clouds, dust storms, and the shape and colour of terrain features. The two Lander craft will take photographs from the surface, and will have instruments to study the planet's biology, molecular structure, inorganic chemistry, meteorology, seismology, and its physical and magnetic properties. The most dramatic aspect of the Lander craft, however, will be their "surface samplers"—devices that will dig up soil samples for analysis in the craft's own "metabolism and growth experiment chambers," relaying the resultant information back to earth.

The prime target for Viking 1's Lander is a region called Chryse, in the north-east end of a 3,000-mile long rift-canyon discovered by Mariner 9. Lander 2 will settle down in Cydonia, close to the "North Polar Hood" of Mars, where a hazy veil shrouds the region during winter and which some scientists think may carry moisture.

Nobody is expecting to find "intelligent life"—of the kind that some scientists as recently as the end of the 19th century believed were responsible for building the so-called "canals" on Mars—in reality dark "canali" or channels hundreds of kilometres long which appear to be a natural terrain feature. But what scientists are hoping to discover is whether the Martian atmosphere is capable of sustaining life of the micro-organic kind and whether there are any clues there as to the formation of the Solar System and the origins of life on Earth itself. The Viking mission will formally end around November 8, next year, when the two craft on the surface will be "powered down" in the hope that they will be able to survive the so-called "conjunction period" when the Sun comes between Earth and Mars, cutting off communications.

In all, the venture is one of the most scientifically exciting that Nasa has embarked upon for a long time. In purely scientific terms, it will yield more knowledge than the recent manned Apollo-Soyuz manned space link-up, which had basically political undertones. The Viking venture which will be controlled by a team of 700 engineers and scientists at Cape Kennedy and Nasa's Jet Propulsion Laboratory at Pasadena, California, is intended to be a logical step forward in a series of major unmanned deep space probes that will last through to the end of this decade, all of which collectively may well re-write completely man's knowledge of the origins of his own planet and of its neighbours in the Solar System.

For beyond Viking, Nasa is already working on a plan to send two Mariner spacecraft to Jupiter and Saturn in 1977, a Pioneer craft to Venus in 1978, and a Uranus mission in 1979, while closer to home there are plans for a joint U.S.-European Space Agency study of the relationship between the Sun and the Earth. These ventures will be expensive, some costing as much, if not more, than Viking.

But Nasa is convinced that it is right to use at least part of its funds for this purpose. What is now required is proof from the Viking venture that the broad strategy behind such quests for knowledge in deep space is right. That is why the engineers and scientists involved will be watching closely as Viking 1 soars aloft on Monday atop its giant Titan III/Centaur combination rocket.

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OVERSEAS NEWS

Mrs. Gandhi's Bill approved

BY OUR ASIA CORRESPONDENT

THE LOK SABHA, India's Lower House of Parliament, yesterday passed legislation which will retroactively clear the Prime Minister, Mrs. Indira Gandhi, of two High Court convictions for corrupt election practices.

There was only one dissenting voice to the legislation, that of Mr. Mohan Dharia, until recently a Minister in Mrs. Gandhi's ruling Congress Government. He demanded that the legislation should not be made retroactive, but was shouted down. The Lok Sabha passed the Bill on a voice vote.

The Bill now goes to the Rajya Sabha, the Upper House, for its approval. Mrs. Gandhi has a huge majority there, so its passage is certain, and then she will be free of the stigma of election convictions which threatened to disqualify her and effectively finish her political career, by banning her from elective office for six years.

That was the statutory punishment awarded by Mr. Justice J. M. L. Sinha in the Allahabad High Court after he had found her guilty on two counts of corrupt election practices during India's last general election campaign in 1971.

The convictions led to an outcry from the Opposition that Mrs. Gandhi must immediately resign. These cries were not stilled when the Supreme Court vacation judge awarded the Prime Minister only conditional stay of execution of the order, allowing her to remain as Prime Minister, but not to vote in Parliament.

The Opposition campaign and threat to resort to civil disobedience triggered off Mrs. Gandhi's declaration of a State of Emergency because she claimed that there was a plot to disrupt democracy. So far thousands of people have been arrested, including about 20 MPs, and the Indian Press has been gagged.

When the Upper House has passed the Bill and President Fakruddin Ali Ahmed signed it into law, the grounds on which Mrs. Gandhi was convicted will no longer apply. The Bill also says that a court order disqualifying an elected member from contesting elections must be approved by the President before it applies. It adds that a disqualified person can approach the President to have the disqualification removed.

Mr. Mohan Dharia argued that "the whole rule of law is being circumscribed for a single person." But the Law Minister Mr. Gokhale, said that the election law revision was long overdue as people were at present disqualified on minor "technical grounds."

Unita enters Angolan fray 'in self-defence'

LUANDA, Aug. 5.

THE ONE Angolan liberation movement which up to now remained aloof from fighting in the battle-torn nation to-day mobilised its troops and ordered then to shoot back if provoked.

After an emergency meeting, the National Union for the Total Liberation of Angola (Unita) put its forces on the alert and ordered them to return fire "in self-defence, in any case of provocation and to actively engage in the protection of civilians without distinction for colour, if the need arises."

The movement issued a statement demanding the immediate return to Angola of Portugal's High Commissioner, Gen. Silva Cardoso, recalled to Lisbon last week for health reasons. It criticised the Portuguese Government "for attempting to abandon a policy of impartiality between the three liberation movements."

The statement followed a three-day visit to Luanda by former High Commissioner Adm. Rosa Coutinho for his open support for the Communist-backed Popular Movement for the Liberation of Angola (MPLA).

Army sources said that Adm. Coutinho wanted Gen. Cardosa replaced by an officer more favourably inclined to the MPLA and the 15,000 Portuguese troops based in the West African capital withdrawn. Yesterday the National Front for the Liberation of Angola (FNLP), which has been driven out of the capital by MPLA forces, demanded Gen. Cardoso's return within a week.

For more than a week the FNLA has tried to encircle Luanda with a 5,000-strong army, to recapture it from the MPLA and to isolate it from reinforcements and supply lines.

The spokesman said the FNLA attacked Benguela, about 400 miles south of Luanda, the MPLA's only southern stronghold. There were also clashes at Lobito, 50 miles further north. He said that both sides had agreed to withdraw from nearby Gabela, where the civilian population was evacuated. UPI

Reuter adds: Local ceasefires have been negotiated in Malange, Benguela and Lobito between the two Angolan Liberation movements, according to an official military communique broadcast on Luanda Radio.

'Smith to meet Vorster'

SALISBURY, August 5.

RHODESIAN Prime Minister Ian Smith is expected to fly to South Africa at the week-end for talks with Prime Minister John Vorster, the Salisbury Herald reported to-day.

A Government spokesman declined to comment on the report. For security reasons, Mr. Smith's travel plans are never announced in advance.

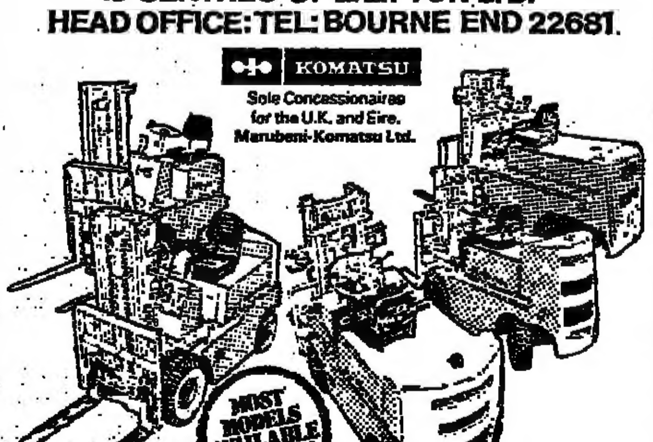
A visit to South Africa would coincide with the planned visit to London of Bishop Abel Muzorewa, leader of the African National Council (ANC) for talks at the British Foreign Office. It would also follow South Africa's decision to withdraw the last of its police who have been helping Rhodesian security forces prevent guerilla incursions.
Reuter

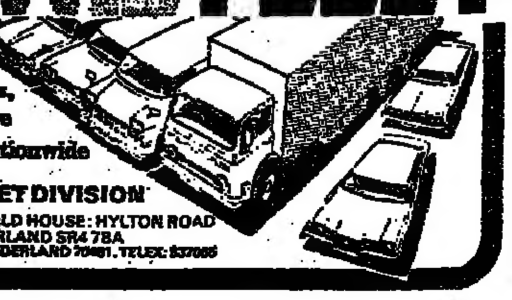
John Stewart reports from Cape Town: The South African Minister of Defence, Mr. P. W. Botha, last night rejected suggestions that the withdrawal of South African police units from Rhodesia had come as a shock.

Certain detente moves by the Prime Minister, Mr. B. J. Vorster, had made the presence of these units in Rhodesia unnecessary, as it could not anymore be said that there were terrorists on the way to South Africa, he said.

Mr. Botha said Rhodesia was on the road that eventually would lead to a Black majority. This was its own affair and the republic could not be drawn into a matter which Rhodesians had to decide for themselves.

● Ivory Coast Information Minister Laurent Dona-Fologo said in Abidjan to-day that he intended to visit South Africa for talks with officials there. He said he would be going to examine the effects of apartheid "which it is not forbidden to try and understand and change progressively."





Casualties mount in Lebanon border raid

By Ihsan Hijazi

BEIRUT, August 5.

FOUR LEBANESE Army officers and five Palestinian guerillas were killed in an Israeli attack on the Tyre district of Lebanon's southern coast early to-day.

The seaborne an dartillery attack was aimed at the Lebanese Army garrison and the Palestinian refugee camp of Al Buss outside the ancient port of Tyre. A Lebanese Army spokesman said four officers, tw o first lieutenants, were killed and a fifth wounded when the garrison was shelled by Israeli gunboats and by long-range artillery from behind the border.

According to the commando spokesman, guerilla forces at Al Buss camp used machine-gun fire and rockets to foil an attempt by the Israelis to land forces there. The Israelis followed this by heavy shelling of civilian areas in the Tyre region, the spokesman said, and announced that five commandos were killed and 10 slightly wounded.

The commandos said the Israelis suffered heavy casualties. Al Buss camp has a population of 4,500.

To-day's action followed a large-scale clash between the commandos and Israeli forces yesterday near the vilage of Edmit in Upper Galilee, not far from the Lebanese border. The Israelis admitted one of their soldiers was killed and two wounded. One guerilla was also killed, they said. The guerilla news agency, Wafa, reported that the clash lasted for as long as 16 hours and that the guerillas inflicted heavy casualties on the Israelis.

This has been yet a further escalation in the commando action and Israeli counter-action, the brunt of which has again fallen on Lebanon.

Yesterday, the Israelis returned seven Lebanese citizens whom they had abducted 10 days ago durin ga raid on the southern vilaige of Kfar Kela.

UPI adds: After the attacks, Israeli aircraft flew over the region in the early afternoon and attacked the Palestinian refugee camps of Bourgouliyeh and Bourj Rahhal—both of which are in the Tyre region. Lebanese anti-aircraft gunners engaged the invading Israeli aircraft which pounded the camps for 20 minutes, but "details on damages or casualties are not yet available," the Lebanese military spokesman said.

Israel £ devalued

By L. Daniel

JERUSALEM, August 5.

A FURTHER devaluation of the Israel pound—the second in six weeks—was announced by the Finance Ministry here during the night. Like the previous one, it amounted to 2 per cent., and brings the exchange rate to the dollar, to which the Israel pound is rigidly linked, to I£6.24 (rates for other currencies are adjusted daily according to international market fluctuations).

Financial circles here had expected a larger devaluation—8 to 10 per cent.—in view of the recent strengthening of the dollar and the need to step up Israeli exports and slow down imports. As black market rates for the dollar had soared to 25 per cent. above the official rate, and the security dollar 18 per cent. above the previous official level, the Finance Ministry may have wanted to set an example and discourage speculation during the months to come, when the so-called "creeping devaluation" is expected to continue.

The Government, in any case, has authorised the Treasury to carry out devaluations of up to 2 per cent. at intervals of not less than a month. In fact the Finance Ministry permitted six weeks to elapse. The other reason for keeping the devaluation small may have been fear of labour unrest, since a larger devaluation would inevitably have resulted in a general rise in price levels, whereas the 2 per cent. devaluation is not expected to raise the cost-of-living index by more than half a per cent.

New report of Libya coup bid

CAIRO, August 5.

Twenty-one officers of Libya's Republican Guard tried unsuccessfully to overthrow Libyan leader Muammar Khedaffi while he was attending the recent African summit meeting in Uganda, the semi-official Egyptian newspaper Al Gomhouria said to-day.

It was the third time in recent weeks that an Egyptian newspaper had carried unsourced reports of a coup attempt against Colonel Khedaffi. Egyptian newspapers have for months been highly critical of the Libyan leader.

Al Gomhouria said the attempted coup was led by Major Abdel Fattah Yunis, commander of the Republican Guard in Benghazi. It said the major was arrested together with 20 oher officers.
Reuter

Pakistan has been watching recent events in India with a mixture of self-satisfaction and concern. **Kevin Rafferty** reports.

People in glass houses

BRIGADIER (retired) Ataur Rehman Siddiqui leant back and laughed: "She should send for me. I could tell Mrs. Gandhi how to run her emergency. Her pronouncements bear remarkable similarities to the ones we were issuing a few years back." Brigadier Siddiqui should know: from 1969 to 1973 when he retired he was in charge of public relations for Pakistan's armed forces. This period included the crackdown and later defeat in East Pakistan (now Bangladesh) the final fling of the military dictatorship and the coming of civilian rule.

There was something of a nervous edge to that laugh, especially when the Brigadier admitted that Pakistan had bungled its case. He said he was glad to be beyond that period of his life.

In many ways his nervousness typifies the Pakistan reaction to the emergency in India. Several Pakistanis, including politicians, officials and military men have told me, not quite in triumph, "You see we are now the most democratic country on the sub-continent, now that Bangladesh and India have gone over to virtual dictatorship." But all the time they watch you for some confirmation. Pakistan is hardly a paragon of all the democratic virtues. In Baluchistan and the North West Frontier Provinces the Prime Minister, Mr. Zulfikar Ali Bhutto, has imprisoned thousands of people in the name of preserving democracy.

A member of Pakistan's security forces in Peshawar, capital of the troubled North West Frontier Province.

Pakistan officially has gone out of its way to be careful and restrained, following the line that the emergency is India's internal concern. The Press has obviously been told not to crow, and though it has cheerfully reprinted adverse foreign reports on the situation in India, it has manufactured nothing of its own.

Ordinary people display a mixture of emotions. A few are happy, especially that the international Press which has plagued Pakistan for years is now itself on the run from its darling democrat Mrs. Indira Gandhi. Most people show at least some coyness in trying to present Pakistan as reformed, perhaps all too aware of much of the skullduggery that passes under the guise of democracy there. One politician, who many people regard as up and coming, justified Mr. Zulfikar Ali Bhutto's tough dealings with opponents on the grounds that "you see from India what happens if you are a soft state and do not keep things under firm control. But there is genuine concern for what India may have triggered off on the sub-continent, and perhaps in the Third World as a whole. As one of these people put it: "For years we have looked up to India. It was the model of all we wanted to achieve but failed to do. To whom do we look up to now?"

What is remarkable is to be able to sit in Pakistan and discuss sympathetically—for Pakistanis quickly say they have been through it all themselves—what happens next. Tongues between friends become loosed quickly even to criticism of the home government, a sort of conversation of cheerful conspiracy which used only to be possible in India. Indeed some Pakistanis are afraid that Mr. Bhutto may use what has happened across the Indian border as his excuse for strengthening his own already autocratic tendencies.

A few Pakistanis say that Mrs. Gandhi was confronted by difficult options, and that if she had allowed the "unholy alliance of Gandhians and Hindu extremists" to have their way there would certainly have been chaos. Most point to the authoritarian attitude of the Nehru family.

"Nehru had charm and intelligence, yet could allow himself be persuaded on a certain range of issues, but she is much more ruthless," an ex-military man, who had attended conferences in India, told me. All Pakistanis are agreed that India is on a slippery slope to outright dictatorship.

"She is saying exactly the same things that Ayub Khan used to say when he first came to power," said a former colleague of Field Marshal Ayub. "But the difference is that she has had years of power and is responsible for the system she is criticising. At least Ayub at the start was clean. The implications for the Third World are tremendous: there used to be two ways to development, Chinese Socialism or Indian democracy; now India has abandoned its democracy, but is still rudderless and poor."

An ex-general pointed out that there are three unifying national forces in any developing country, the politicians, the bureaucracy, and the Army. It was not uncommon for the Army to take over once the other two had proved incapable. But Pakistan's experience had been that the Army was not equipped or flexible enough to handle delicate political problems. "God help India if the Army comes in," a junior colleague chipped in. "Its army is still caste and tribal-based in spite of, and perhaps because of, its attempts to see that no one could gain an all-India command and present an easy threat to the civilian power. "He pointed out that for the first time all branches of the Indian armed forces were headed by Punjabis.

In many Pakistani minds there is lurking the fear that if pushed into a corner Mrs. Gandhi might try to extricate herself by raising nationalistic and anti-Pakistan slogans. Some people suggested she might be tempted to explode another atomic device or to provoke skirmishes across the disputed Kashmir border, to which Pakistan could not fail to react. This seems not yet to be an active fear in the Pakistan military minds.

I talked to the commander of a Pakistan infantry division on leave in Karachi who said: "Kashmir? Well you see I am still here, and plan to stay to the end of my leave in a week's time." Another military officer pointed out the dangers of any exercise involving the Indian Army.

"They just might begin to say 'now what are we doing clearing up her mess. We could do better ourselves'."

In any event Brigadier Siddiqui, one-time chief Pakistani propaganda-maker and censor-in-chief, had some advice for Mrs. Gandhi—drop censorship. "It is self-defeating. The local Press can be dealt with without the need for censorship and you cannot stop the international Press. You cannot stop news coming out of India. You cannot stop newsmen filing and if you try to they can fly out easily to Pakistan or Afghanistan or Thailand. In any case the freedom of the airwaves renders your task unenviable. We tried to suppress news, but we only increased the eager Pakistan audience of the BBC, the Voice of America and All India Radio."

EUROPEAN NEWS

Portuguese crowd storms Communist office in North

BY JANE BERGEROL

LISBON, August 5.

THOUSANDS OF angry demonstrators in the northern town of Familicao to-night forced back about 100 soldiers guarding the local Communist Party headquarters and stormed the building, setting furniture and papers and Communist Party banners ablaze.

The sack was apparently sparked off by the killing by security forces of two anti-Communist demonstrators last Saturday. Many sympathisers had gathered in the town to attend the funerals.

The two dead have been identified as supporters of the Right-wing Centre Democratic Social Party (CDS) and the Centre Left Democrats (PPD). Popular Democrat sources report a high state of tension in Oporto where one body is awaiting a post mortem.

The funeral of the CDS man will take place later to-night in Familicao, and there are fears of renewed clashes following the funeral. The waiting crowds in Familicao reacted angrily to the news that the PPD supporter's body will not be returned there until to-morrow.

The offices of two prominent Communist lawyers in Familicao were again sacked early this morning, and throughout the night roving bands went through the streets and hunted down suspected Communist sympathisers.

Many such sympathisers have left for neighbouring towns for safety. The Northern Communist Party headquarters has issued a statement that it intends to take a number of military commanders to court for allowing their men, on guard duty outside the besieged Communist Party office, to take part in its sacking over the week-end.

Meanwhile a bomb exploded in central Lisbon in the early hours of this morning outside a government building. A man, thought to have been planting the bomb, was killed in the explosion. This is the first bombing incident which has caused a death in the growing wave of civil disorder in Portugal.

It is in this context that Copcon security forces yesterday approved re-instatement of Colonel Jaime Neves as commanding officer of the Lisbon commando regiment. The attempt by Communist officers to smear him as a counter revolutionary and have him removed has ended with their being brought before a military court.

General Otelo Saraiva de Carvalho was present at a meeting of the full 850 man commando regiment yesterday when Colonel Neves was voted back into the leadership, and a communique issued at the end said "certain parties" had sought to destroy unity and cohesion in one of the country's most disciplined and faithful regiments.

The commando affair is being interpreted here as highly significant and implying a loss of Communist Party prestige within the armed forces. Reinstatement of the old command suggests any further attempts in other restless units across the country to tamper with the commands or institute purges will be strongly dealt with.

Meanwhile the meeting in Lisbon yesterday of around 50 commanders of Lisbon units, at which General Vasco Gonçalves received a vote of confidence has plunged the current political crisis back to the stalemate of a week ago.

Moderate officers who appeared earlier yesterday to be gaining ground have again been routed by the pro-Communists and extreme Leftists as General Gonçalves has been given a renewed mandate to form a Provisional Government. But observers were also pointing out that the motion of confidence has probably as much to do with unwillingness to disgrace a general as with political infighting.

A spokesman from the Prime Minister's office said to-day he is putting the finishing touches to a Cabinet that may be announced to-morrow or the next day. The spokesman said it would be a Cabinet along the lines reported a week ago here, composed of military and with participation by Communists and MDP-CDE, the Communist-dominated Party which won only 4 per cent. in the April elections. Neither Socialists nor Popular Democrats, and certainly not independent civilian Left-wingers, intend to climb down from their positions against General Goncalves.

How the Armed Forces Movement thinks it can impose such a Government on a country in revolt against the Communists, remains unclear.

Signs that the Armed Forces Movement is preparing a tough line on Press freedom have come with publication in a leading afternoon paper of a proposed law which would impose heavy fines and include suspension from publication for up to 180 days on newspapers distorting the news or taking "counter-revolutionary" attitudes.

No comment on the leak of the document was forthcoming from the Ministry of Information this afternoon, but independent Portuguese commentators were describing the project as "institutionalising self-censorship."

France withdraws Basque border posts

BY ROBERT MAUTHNER

PARIS, August 5.

A CLASH yesterday between French and Spanish customs officials and police over a Basque separatist has once again raised the temperature in the Basque country and led to tense exchanges between the two countries.

The incident, which lasted seven hours, occurred when Juan-Miguel Arcelus-Beti, believed to be a militant of the ETA separatist organisation, suddenly leapt from the boot of a car which was being searched by Spanish customs men and took refuge in a French sentry box situated in Spanish territory at the frontier post of Behobie.

Spanish police immediately surrounded the sentry box and ordered three French officials at gun-point to hand over the fugitive. The officials refused, pending the outcome of negotiations between the Spanish authorities and the French Interior Ministry, of which both M. Michel Poniatowski, the French Interior Minister, and M. Jean Sauvagnargues, the French Foreign Minister, were kept regularly informed.

Finally, the French evacuated the sentry-box, leaving the escaped separatist to be arrested by the Guardia Civil, but not before police reinforcements had taken up position on both sides of the frontier.

The Bayonne sub-prefecture confirmed to-day that the French police had been ordered to open fire if the Spanish forces used violence.

The incident provoked an anti-Spanish demonstration by about 300 Basques last night at Behobie, on the French side of the border, during which a Spanish flag was torn up and thrown into a river.

To-night, the Interior Ministry, announced that France had pulled back to 40 yards within France its advanced customs posts at La Hendaye and Behobie, which had been positioned in Spanish territory to speed up customs formalities. The move, at the height of the holiday season, immediately caused big traffic jams at the border, with the journey from San Sebastian in Spain to Bayonne in France taking five hours longer than normal.

The incidents followed a wave of attacks this summer against Basque targets for which the responsibility has been pinned on Spanish police by M. Poniatowski himself. Early last month, a Spanish policeman charged with iligela possession of firearms after being stopped at the Franco-Spanish border, was given a two-month suspended jail sentence by a Bayonne court.

CONTRACTS AND TENDERS ALSO APPEAR TODAY ON PAGE 19

W. German jobless continues to rise

By Guy Hawtin

FRANKFURT, August 5.

UNEMPLOYMENT in West Germany climbed to 1,035,200 last month—the first time that there has been an increase in joblessness between June and July since 1948-49. This is virtually certain to raise the pressure on Chancellor Helmut Schmidt for further reflationary measures.

The Nuremberg-based Federal Institute for Employment announced to-day that the total of those without jobs increased by 33,100 in July. The unemployment rate is now running at 4.5 per cent., compared with 4.4 per cent. in June.

According to Herr Joseph Stingl, president of the institute, the rise was due to the continued weakness of the economy, coupled with a summer downturn. But he went on to reveal that the number of people on short-time working had declined by 155,100 to 649,300.

However, the short-time statistics are not as comforting as they might at first appear. Herr Stingl pointed out that one reason for the decline was likely to be that many companies had closed down for the summer holidays. It could not be ruled out that short-time working would increase when the holidays were over.

There was also a big decline in the number of foreigners registered as workless. The unemployment rate among immigrant workers fell from 6.5 per cent. to 5.5 per cent., while the number out of work dropped by 7,700 to 255,500.

In all there are some 2.1m. immigrant workers in Germany and they have been hardest hit. However, here again, Herr Stingl saw small grounds for joy in the statistical decline. It was thought likely that the figures had been reduced by a large number of foreign workers returning to their home countries.

Women are among the most affected by unemployment, according to the statistics. The number without jobs went up 23,000 to 450,800. While the male unemployment rate remained steady at about 4 per cent., the jobless rate for women rose steeply from 5.1 per cent. to 5.3 per cent.

The industries with the most short-time working include the electro-technical industry, where some 137,200 are affected, the machine tool industry, where 94,700 are involved, and the chemical and plastics industry, with 89,000 on short time.

In certain sectors there have been considerable improvements. The jobless total among shop and store employees, as well as office and administration workers, fell by 15.1 per cent. or 30,100 to 229,200, while there was a 15.5 per cent. or 15,800 drop in unemployment among building trade employees. The total number of unemployed in this sector now stands at 86,200.

A disquieting fact about the present situation is that almost a third of the unemployed—some 32 per cent.—have been without work for more than six months. A year ago the proportion of long-term unemployed in the jobless total was 23.5 per cent., well under a quarter.

Malta plans to tax Church

By Godfrey Grima

VALLETTA, August 5.

SCHOOLS AND HOSPITALS run by religious organisations must start paying tax according to the Government Bill in Parliament that would impose income tax levies on the Catholic Church.

Finance Minister Joseph Abela said in Parliament last night that the Government was against the Church's retaining special privileges. This, he said, was one of the Government's fundamental principles and explains why the Church was being obliged to pay tax on its income.

The Archbishop's annual salary was considered to be in the region of £M5,000 and tax was being imposed on this figure. Convents and parishes were being considered as entities separate from the diocese. Church-run hospitals and schools would be treated as commercial partnerships

Opposition MP Mario Felice said a Nationalist Government would revoke the legislation.

GREENLAND

Flirting with Home Rule

BY HILARY BARNES, IN COPENHAGEN

GREENLAND is moving towards Home Rule, Denmark's Market Minister, Ivar Noergaard, informed his EEC colleagues last month. This might lead to a Greenland request to renegotiate its terms of EEC membership, or even a demand to withdraw from the EEC altogether. In either case, the most important practical consequences for the EEC would concern fishing. The Greenlanders are already anxious to place restrictions on international fishing in adjacent waters, and concerned that, while part of the EEC, they cannot do it. Future oil policy for Greenland might also be affected by the introduction of Home Rule.

Greenland is a vast island, most of it covered by ice up to 3,000 metres thick, and only a sixth of its area, mainly along the west coast, habitable. The total population, including several thousand Danish officials, teachers, technicians and other personel, is about 50,000. The Greenlanders speak their own language and are of mixed European-Eskimo race.

Until 1953 Greenland was a colony, closed to the outside world and existing mainly through hunting and fishing. In 1953 a constitutional change made it an integral part of Denmark, and a major modernisation programme was launched. To-day in the small Greenland towns living standards are comparable with standards in Europe, although in some respects Greenland conditions remain primitive. There are no roads outside town boundaries—nor are there likely to be in the future—and all transport is by sea, sled or air. The elements can effectively prevent all forms of travel for weeks at a time.

The province has its own elected council, the Greenland Provincial Council, responsible for administering social welfare and for wild life preservation. Virtually all other decisions are in the hands of the authorities in Copenhagen, the Folketing (which has two Greenland members), Government and Ministry for Greenland.

Economically, Greenland is dependent on fisheries, although the opening of the Greenex lead and zinc mine on the west coast two years ago may be an augury of things to come, and there are three potential oil-producing areas—on the east coast, in the extreme north-east and off the west coast, where the first concessions for exploration and exploitation were awarded in April this year. But for the moment Greenland is heavily dependent on subsidies from Denmark. Of a total provincial budget of about Kr.850m. in 1974, some 90 per cent. came from Denmark, amounting to a subsidy of about Kr.15,000 (£1,150) per head of the population.

> Apart from the general desire to restore the management of Greenland affairs to Greenlanders, fisheries and oil policies are the two specific issues behind the movement.

Modernisation has brought with it a growing political awareness. The Greenlanders feel that their community is remotely controlled from Copenhagen, and that the decisions taken there are administered in the main by Danish personnel in Greenland. They want to take charge of their own destiny, and they are anxious to preserve the Greenland language, their identity and culture, before it is all swept away by the tide of modernisation.

This general feeling, as much as opposition to the EEC's fisheries policy, was probably the cause of a 71 per cent. vote against EEC membership in the 1972 Danish referendum on EEC membership, although the vote in Greenland had no influence on the overall vote in favour of membership. "There is not exactly an urge to accentuate this remote control by transferring power from Copenhagen to Brussels," as Greenland Folketing members Lars Emil Johansen put it recently.

The Greenland referendum result was an important factor in the decision in the autumn of 1972 to set up a committee, consisting of Greenlanders only, to study the question of Home Rule. After two years' work, it produced a report earlier this year of 23 typewritten pages, as light on argument and analysis as it is on the scales, which recommended 11 areas over which the Greenlanders should have Home Rule and another 18 where there should be joint competence between Denmark and Greenland.

The Minister for Greenland in the Social Democratic Government, Mr. Joergen Peder Hansen, expressed the government's willingness to further the process. When Home Rule will take effect, and exactly what it will comprise, it is too soon to say, but Lars Emil Johansen, one of the most enthusiastic Home Rulers, hopes that the necessary legislation can be completed in time for the 1979 Provincial Council elections, and regards it as a matter of urgency that Home Rule should be a fact by 1982, when the ten-year transitional arrangements with the EEC expire.

Apart from the general desire to restore the management of Greenland affairs to Greenlanders, fisheries and oil policy are the two specific issues behind the movement.

Under the current agreement with the EEC, the Greenlanders have exclusive rights to fish within a 12-mile limit, but both developments within the local fishing industry and in international fisheries policy have intensified demands for independence. The Greenland fishing industry is in the midst of a crisis caused mainly by a fall in the temperature of the water off the west coast, driving the cod away. Restrictions on salmon fishing have not helped the local fishermen to develop other resources. The Greenlanders want a fisheries limit of at least 50 miles, and if they cannot get this while they are members of the EEC, then non-membership will probably seem preferable. Fisheries limits and agreements, however, was one sphere which the Home Rule committee recommended should remain, along with other foreign policy matters, a joint Greenland-Danish matter.

The committee wanted raw materials, including hydrocarbons and other minerals, to come under Greenland control, however, though the committee added the rider that the matter was so complicated that further studies should be made. Danish officials regard this point as wishful thinking, as Greenland can never muster the administrative and technical resources necessary for taking control of raw materials.

Oil, on the other hand, presents the only real possibility that Greenland will be able to become effectively independent of Denmark. It is the one possible source of financial independence—and as long as Greenland remains dependent on Denmark for 90 per cent. of its budget, Home Rule will remain a limited reality.

Nationalist feeling was nourished by the way in which the first concessions to drill for oil were awarded last spring. The concessions were signed two days before a new election to the Greenland Provincial Council, and though the sitting council had approved the terms of the concession contracts (and the Ministry for Greenland spent six years working on the terms, consulting the Greenland authorities at every step) there was a good chance that the incoming council would have a majority of its members opposed to awarding concessions at this stage. In fact, the new council did not have an anti-concession majority, but the fact that the contracts were signed in obvious haste left an unpleasant taste in the mouths of many Greenlanders, who got the impression, unfair as it may be, that the Danes were making sure of their own interests and setting aside those of Greenland.

So far the movement for independence stops at Home Rule and there are very few Greenlanders, and those not in positions of responsibility, who want an independent Greenland state. "In the desire for a greater degree of self-determination there is not a wish for separatism," said the Home Rule committee's report. "The Greenlanders feel themselves first and foremost to be Greenlanders, but they also feel themselves to be Danish citizens and consider that Denmark since the Second World War has shown solidarity and responsibility for the development of Greenland."

EEC may force oil pricing disclosure

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, August 5.

OIL COMPANIES operating in the EEC would be required to give Governments precise details of their price structures, ranging from the cost of imported crude to the retail price of petrol, if proposals drawn up by the Brussels Commission are adopted by the nine member states.

Governments would then submit the information to the Commission in Brussels, together with details of taxes and duties levied on oil products and maximum prices where these applied. The Commission would organise consultations every three months to see if measures were needed to bring prices in the different countries closer together.

The Commission's proposals follow agreement by the nine Governments earlier this year that consumer prices for oil, gas and petrol should be the result of free competition, based on an open, or "transparent" cost and price structure. The aim is to work towards "coherent" prices in each of the nine countries as part of the move towards a common EEC energy policy.

In putting forward its proposals for a Community information procedure, the Commission stresses that member Governments would remain free to choose their own price systems. But it also emphasises that price "transparency" is essential if there is to be free circulation of oil and oil products in the Community.

Under the system suggested by the Commission, each Government would decide which companies operating in its territory should supply the required information. The information would have to cover at least 90 per cent. of total crude imports, 80 per cent. of imported oil products and 75 per cent. of retail sales.

Companies would be required to supply the Governments with information within the first two weeks of each quarter, including details of their average ex-refinery prices, as well as the quantity and quality of crude they had imported.

The Commission would draw up comparisons of price trends, profit margins and supply conditions in all nine countries.

Information to be supplied would include retail and wholesale prices of normal and super grades of petrol, diesel oil, fuel oil and domestic heating oil. Oil companies would have to give details of f.o.b. prices for crude, freight rates, insurance and any other costs incurred.

Statistics recently published by the Commission showed that retail petrol prices vary by between 30 and 40 per cent. in the different nine countries. Italy had the highest prices with DM1.12 for a litre of super, and Luxembourg the lowest with DM0.78. Britain was second lowest with DM0.86 per litre.

Regional dilemma for Italy's ruling party

BY ANTHONY ROBINSON

ROME, August 5.

SIGNOR Benigno Zaccagnini, the new political secretary of the Christian Democrat Party, who replaced Sig. Fanfani as party leader during last month's stormy national council marathon, is due to chair his first party leadership meeting to-morrow in an attempt to forge some kind of unity among his deeply divided party and stem the dramatic decline of the party's influence at a regional, provincial and town council level.

He is expected to call upon leaders of the various factions to put aside their personal and political rivalries and agree on a new internal organisation which would permit key party positions to be allocated on the basis of competence alone and not on the basis of the relative strength of the various factions.

But his task will not be an easy one as the rivalries also reflect deep divergencies over the political line which the Christian Democrat Party should follow particularly in relation to the Communist Party (PCI).

The latest example of grass roots political change has been the formation of a Communist-Scoliaist alliance in the city council of Milan.

This is the situation which repeats the experience of Turin which now has a Communist mayor. Indeed, all major Italian cities north of Rome are now controlled by the left-wing parties as well as the five regions of Umbria, Tuscany, Emilia-Romagna, Liguria and Piedmont.

Between them, these regions have over 15m. inhabitants and produce around 30 per cent. of the nation's wealth. The key region of Lombardy, which alone produces almost a quarter of the nation's wealth, has also lost its former connotation as an orthodox centre-left region.

It has now become what is termed an "open" region, that is to say, a region in which the Communist party is not formally included in the regional government, but in which it is recognised that the PCI has a vital role to play in the formulation and implementation of policies.

The dilemma for the CD party is represented by the fact that up to now control over local and city council jobs, over municipal utilities and local credit institutes has constituted the foundation of their political power base. But they now face a further massive electoral haemmorrhage next time, unless the party leaders in Rome can work out not only a new pattern of administration for the CD party, where it remains in power, but also for constructive opposition in the local and regional power centres they have already lost.

How reorganisation will work at Treasury

BY SAMUEL BRITTAN

TREASURY changes announced yesterday are the result of a management review. Some outsiders may be surprised that the Treasury has been so largely responsible for its own review, but in fact this is the fourth in a series of departmental reviews which began in 1972.

It is the first official reorganisation of the Treasury since 1962, although considerable changes were required both when the Department of Economic Affairs was set up in 1962 and when it was dissolved in 1969. The present reorganisation bears at least a superficial resemblance to that announced in 1962, when the Treasury was also adopting a more interventionist attitude and when it was reckoning on the possibility of a Labour Government.

Separate

The most eye-catching change has been the separation of industrial policy from the general control of public expenditure, under a new Second Permanent Secretary, Mr. Alan Lord, a "high flyer," from the Inland Revenue and the Department of Industry.

Mr. Lord will also be in overall charge of "counter-inflation" (by which the Treasury means pay and price controls), as well as monetary and fiscal policy.

As the Treasury's influence on industrial policy depends on its control of the purse strings, there is a danger that it will be diluted by this separation, and that the new section will become a mini-Department of Industry, concerned to promote rather than restrain expenditure.

The review team were confident that this would not happen; but the new arrangements, aiming to show that the Treasury has "wider interests" than "merely" limiting public spending, could still weaken one of the few effective brakes on the spending total.

The Department, in any case, is sufficiently sensitive about setting an example to wish to balance the additional Second Permanent Secretary by elimination of one Deputy Secretary post. As a result there is one spare deputy secretary, presumably to be allocated work in another part of Whitehall.

Most of the detailed work on the review was carried out by Mr. David Hancock. He has been rewarded by promotion to under-secretary in charge of Establishments and Organisations, which is regarded as useful experience for a promising Treasury official whose previous interests have been mainly on the policy side.

The Treasury puts much stress on the creation of a new small Central Unit, under an under-secretary, Mr. Gordon Downey. The background to this is the feeling of the Permanent Secretary, Sir Douglas Wass, that he was receiving separate pieces of advice on different aspects of policy and that he ought to have assistance in putting them together into a coherent whole.

The Fulton recommendation, that each department should have a forward planning section, is also mentioned as a supporting reason.

Although the new unit will be responsible for managing the Budget and similar packages at various points in the year, it will be distinctly subordinate to the Policy Co-ordinating Committee or "PCC," consisting of all the Treasury permanent and deputy secretaries. It will not be concerned with immediate responses to crises, which are often the origin of the main departures in policy.

The old Budget committee was abolished about a year ago and replaced by the high level inter-departmental committee, which includes the Bank of England. But this is not the first time that the Budget committee has been abolished and reconstituted with a slightly different name and membership.

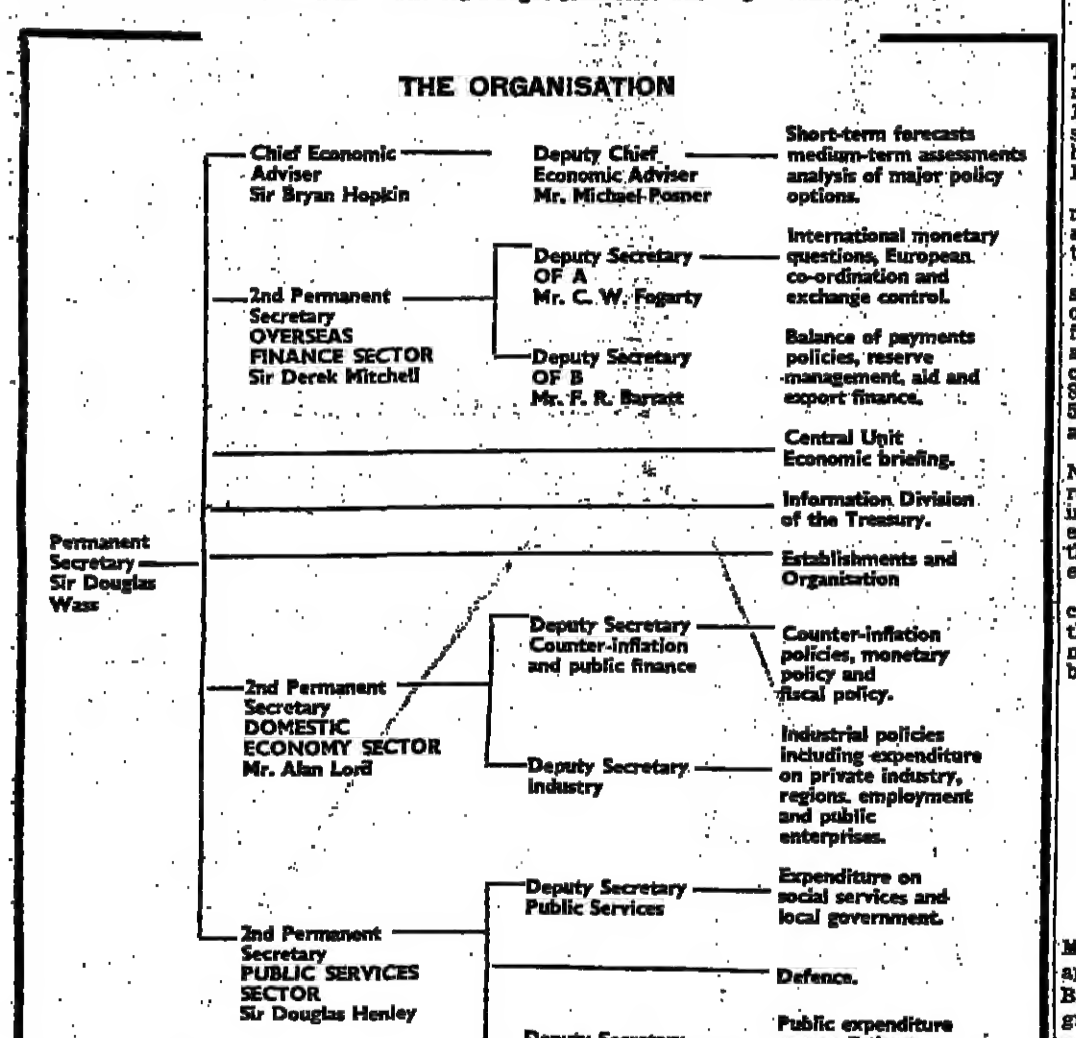
The concentration of the chief economic adviser on forecasts and "simulating" reactions to hypothetical policy changes, is likely to lead if anything to an even greater concentration on the demand management "crystal-gazing" approach.

Other divisions will be heavily dependent on the economists' projections; and the new fashion of making forecasts on several alternative assumptions will still lead to wrong results if there are fundamental errors in the forecasting system itself.

Scattered

By contrast, analysis of the variables which interest monetary economists is scattered throughout the system. The public sector borrowing requirement will be monitored under "general expenditure"; the money supply will come under monetary policy; and the assessment of changes in both on the economy will be the responsibility of the economic forecasters.

Thus, although there is nothing partisan in the narrowly party sense in the new organisation, it does presuppose a definite and far from self-evident view of how the economy works, and the best way of studying and managing it. A different view would lead to a different organisation.



Fares increase move could kill Shuttle, says British Airways

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS said yesterday that its Heathrow-Glasgow no-reservations shuttle service could be killed if British Caledonian succeeded in getting fares on it increased and the number of flights reduced.

Mr. Jim Scarlett, general manager, market development, for British Airways, told the Civil Aviation Authority in London: "Shuttle is on trial for its life, and not only British Airways but the whole aviation world is watching to see whether sentence of death is to be passed on this new and imaginative concept."

He said that Shuttle showed every sign of commercial success. About 100,000 extra passengers would be carried this year, without any evidence of adverse effects on British Caledonian's rival Gatwick-Glasgow jet service.

"BA's policy on the routes between London and Glasgow is one of profitable operation through expansion. We aim to satisfy our customers profitably and this is why Shuttle forms such an important part of our plans for the future of domestic air services."

He said that the burden of BCAL's case against Shuttle was that BCAL was in financial difficulties, and was seeking a way out through the regulation of competition.

"I shall argue that, if they are in difficulty, then the way out of it should be through normal commercial channels in the competitive environment they have caused to be established.

"What they have failed to achieve in a competitive environment they propose to achieve by forcing passengers, through the processes of law, off BA's services and on to their own—a direct and legally enforced transfer of business.

"That in my submission is wrong for all parties. We believe that if we can expand the total market, then our customers and both air carriers, will all benefit."

Mr. Scarlett claimed that as a result of Shuttle, the total London-Glasgow market was rising, the load factors of both carriers were rising, and both airlines were doing much better than they could otherwise have expected.

"Shuttle is not unregulated," he said. "It is self-regulating. If demand isn't there, the aircraft don't fly."

BCAL, he said, was trying to set the clock back 20 years. "It was as long ago as that—in 1955—when we last operated five services a day between Glasgow and London"—the level of frequency to which Shuttle would be reduced to if BCAL had its way.

Mr. Scarlett also rejected BCAL's claim that BA was "numbers orientated" and had abandoned the profit motive. "Such an assertion is patently absurd and demonstrably untrue."

BA, he said, had made a profit before interest as recently as 1973-74, although admittedly it had lost money, like many other airlines, last year.

Mr. Scarlett said that BCAL's plea for downgrading Shuttle would discriminate against and penalise people who used Heathrow rather than Gatwick to get to Glasgow. "Such discrimination would be inequitable and totally against the interests of the travelling public," he declared.

The Civil Aviation Authority is expected to announce its decision on the BCAL application soon.

World airlines to raise prices

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S scheduled airlines have agreed on further rises in air fares, ranging up to 5 per cent., for many parts of the world, including some parts of Europe and across the North Atlantic, from November 1.

The primary aim is to help offset the effects on the airlines of fluctuations in exchange rates, but they are also intended to offset rising fuel costs and give the airlines a little more revenue.

The increases were agreed at a meeting of the member-airlines of the International Air Transport Association at Freeport, Bahamas.

At the same meeting, the airlines failed to agree on the controversial issue of what commissions they should pay their agents world-wide, and this has been referred back to the full-scale annual IATA traffic conference in Cannes in October.

It is probable that the question of further fares increases will also be discussed at Cannes.

Labour MPs demand replacement of NVT chairman

BY CHRISTIAN TYLER, LABOUR STAFF

LABOUR MPs from the West Midlands last night called for the replacement of Mr. Dennis Poore, chairman of Norton Villiers Triumph, and of the rest of the management of the ailing motor-cycle group.

The call came after a meeting with Mr. Eric Varley, Industry Secretary, at which the MPs urged him to press the Government — which has decided to put no more money into the group—to take NVT into public ownership.

The MPs' demand was backed by shop stewards and union officials who saw Mr. Varley immediately afterwards. They said that NVT was viable but not under Mr. Poore's chairmanship.

There should be import controls against Japanese competition, they added.

For Cabinet

Mr. Varley told the MPs that he would put their case, which is largely based on the need to preserve jobs in the area as well as the need to preserve a British motor-cycle industry, to the Cabinet.

Mr. John Lee, MP for Birmingham Handsworth, and chairman ofthe West Midlands group of Labour MPs, said that nationalisation of the industry was the obvious solution.

He and the other three MPs with constituencies covering the three NVT factories, said they would support a "work-in" by the men, who are said to be planning a take-over of the Wolverhampton factory on their return from holiday on Monday.

Mrs. Renee Short, MP for Wolverhampton NE, said NVT would have been a prime target for the National Enterprise Board if the NEB's creation had not been delayed in Parliament.

Yesterday's meeting followed an approach by Mrs. Short to Mr. Harold Wilson, Prime Minister.

Terry Dodsworth writes: NVT said last night that the unions can be given only two or three more days to discuss ways of running down the company. If no agreement is reached within that time, the company will be forced to make unilateral decisions.

It said it can only foresee a continuing activity for one of the company's two factories, and that whether the Small Heath plant or that at Wolverhampton should be retained is still an open question. A liquidator should be named within the next two days.

Parliament has allocated a full $2\frac{1}{2}$-hour adjournment debate to-morrow to the NVT crisis.

Parliament, Page 9

Post Office shelves £20m. City HQ

BY HAROLD BOLTER, INDUSTRIAL EDITOR

THE POST OFFICE, which announced a loss of £306.7m. for 1974-75 last week, has decided to shelve its plans for a new £20m. headquarters in the City of London.

This is in addition to economies estimated to be worth another £60m. which it is trying to achieve this year.

The P.O. is under severe pressure to cut its own costs in face of last year's loss and its plans for a £284m. price rise this autumn which will take the first-class letter charge up from 7p to $8\frac{1}{2}$p, the second-class post from 5p to $6\frac{1}{2}$p and raise telephone and other charges substantially.

The Post Office Users' National Council will make its recommendations on these price increases this morning and it is expected to be highly critical of the P.O.'s own efforts to improve efficiency.

Sir William Ryland, the P.O. chairman, explained last night that the decision to shelve the new headquarters project had been taken although it was felt that the scheme would have yielded savings in the long-term.

"At times such as this it is often unfortunately necessary to put off spending money which could be profitable later," he said.

The decision not to go ahead with the project, for 25,000 square metres of office accommodation on a site owned by the Post Office on the corner of St. Martin's le Grand and Newgate Street, is the result of a major internal review of spending.

"Proposals for developing the City site had reached the planning permission stage and the ground had been cleared. The building would have housed nearly 2,000 staff who are at present working in a number of London offices.

The Post Office also announced yesterday that it expects to achieve savings of over £1.5m. a year from a new £4.5m. centre which automatically routes telegrams into and out of the U.K.

'Disappointed' Rover man leaves group

BY TERRY DODSWORTH

MR. BERNARD JACKMAN, appointed managing director of British-Leyland's Rover-Triumph group two years ago, has resigned at the age of 62.

He said yesterday that he was "disappointed to see Rover-Triumph absorbed within the new car group." After about 70 years of family associations with the Rover company he would find it difficult to continue.

Mr. Jackman's resignation comes only a few days after the announcement that Mr. Tony Potter, 49-year-old head of Triumph's Speke plant at Liverpool, was leaving the group.

Another top Rover-Triumph man, Mr. John Carpenter, who was head of sales and marketing, decided to go soon after the reorganisation of British Leyland began. Mr. Geoffrey Robinson, boss of Jaguar, has also left the group.

What these men share is an attachment to the quality car divisions of the BL organisation, which are generally felt to have come out worst when the top jobs were given out in the reorganised company.

Both the key operational main Board jobs, for instance, have gone to Austin Morris men, with Mr. Derek Whittaker, who used to head the Cowley operations, becoming head of BL Cars, and Mr. David Andrews, boss of Longbridge, getting the top post at BL International.

Mr. Jackman joined Rover in 1939 as chief planning engineer. He left the company in 1944, returning 20 years later. After the merger with Triumph he became director of manufacturing.

Minister asks for survey of raw material prices

BY ELINOR GOODMAN

THE GOVERNMENT'S deep concern about the possible impact of higher commodity prices on its counter-inflation policy has been underlined by the request of Mrs. Shirley Williams, Secretary for Prices, to the Price Commission to examine the relationship between raw material price movements and retail prices.

She wants, in particular, the Commission to look at the implication for typical manufactured goods of higher world prices for wool, cotton, copper and cocoa.

The Government is acutely aware that a resurgence in commodity prices could seriously damage the public's confidence in the counter-inflationary benefits on prices to be gained from wage restraint.

Side effects

It is anxious to improve the consumer's understanding of the relationship between raw material prices and finished goods prices and of the time scales involved.

Mrs. Williams, announcing this reference yesterday together with another, more technical, reference on the side effects of the Price Code rules on excise duty, said that she had received two reports referred to the Commission earlier this year.

The reports, which concern the prices of diabetic food and sanitary protection products, will not be published until later this summer because of the backlog in the Government's printing schedule, but she indicated that the diabetic food suppliers had been given a virtually clean bill of health.

Mrs. Williams was more circumspect about the Commission's findings on santiary protection prices. The Commission has made "certain recommendations in relation to recommended retail prices" which she proposed to discuss with manufacturers and distributors.

It is understood that the Commission found that very high profits were being made by the brand leaders in the sanitary protection market, largely as a result of their own efficiency.

The implications of Mrs. Williams' statement, however, are that some kind of price reductions are to be required in the shops, possibly by reducing the retailers' generous margins on these high-volume products.

ELM DISEASE SPREADS

Dutch elm disease, which has afflicted more than 3m. trees in the South and Midlands is spreading, Forestry officials said yesterday. A fresh case has been confirmed at Wakefield, Yorkshire.

Further Clay Cross bankruptcy notices

By Our Chesterfield Correspondent

The 11 former rent rebel councillors at Clay Cross, Derbyshire, have been served with further bankruptcy notices for a total of £63,192.43 returnable at Chesterfield on August 29.

Mr. David Skinner, one of the leaders of the rebels, said yesterday: "We have already had a notice claiming nearly £7,000 and now this. As we can't pay I suppose it might as well be £63,000 as £7,000. It's all the same to us. We just haven't got the money."

Mr. Skinner said that about £30,000 of the money claimed applied to wages for workmen which the auditor, Mr. Herbert Harrison, had alleged they had employed in Clay Cross although they were not necessary. "We used the money to keep people in a job, to give work to the unemployed and to take people off the dole. The trouble is that we were three years ahead of our time and now we are being punished for it."

Challenge

He intended to contact his solicitor immediately to challenge the new bankruptcy notices. Moves were afoot to seek a curtailment of the powers of the auditor at the next Labour Party conference.

The latest demands by the auditor include a £7,000 surcharge for failing to implement the Housing Finance Act and a claim for more than £52,000 in expenditure incurred by the old Clay Cross council which Mr. Harrison has disallowed. He has also claimed interest and court costs.

The 11 rebels have always made it clear that they do not want a public appeal fund "because it would defeat the whole principle of our fight."

Editorial Comment, Page 12

Self-employed call for VAT changes

Financial Times Reporter

THE SELF-EMPLOYED yesterday urged the Government to change the VAT system to help many small businesses "fighting for survival."

Representatives of the National Federation of the Self-Employed met Mr. Robert Sheldon, Financial Secretary to the Treasury, to put forward a four-point plan for easing the impact of VAT on the small trader. The proposals submitted were:

1—Tax allowance for the loss of personal income involved in the collection work.

2—An optional scheme allowing for one annual return—and thus only one set of paperwork—as opposed to the present system of quarterly returns. Together with this optional annual return scheme would go a system of monthly payments which would allow traders to pay VAT in instalments in much the same way as a consumer can pay bills by standing orders.

VAT liability would be assessed each year on a provisional basis, subject to adjustment at the end of the year.

3—Simplification of the multi-rate structure as it applies to small business. Traders would pay a composite rate of VAT based on the pattern of trading and the average rate of input tax;

4—Ability to reclaim VAT on bad debts.

After the meeting the Federation said that the Ministers had promised "urgent and very serious consideration" of the proposals.

Mr. Keith Shouls, chief executive officer of the Federation, said that unless there were some immediate changes along the lines proposed there would be an "even stronger call" for "more drastic action."

Value Added Tax, he said, was "just one of those burdens on which our membership feels very strongly."

The self-employed have already held mass rallies protesting against VAT, while individual traders have threatened to withhold payment.

Yesterday, four Yorkshire traders sent in their quarterly cheques for VAT bearing the date January 1, 1984.

Mr. David Kelly, antique dealer and chairman of the Yorkshire region of the Federation, said the action was in protest at the powers given to Customs and Excise under the Finance Act 1972. It was known in the Federation, he said, as the "1984 Act"—a reference to George Orwell's famous book 1984.

FT Hotel Directory

Financial Times Reporter

A NEW and comprehensive guide to 3,000 of the world's top hotels will be published this month by the Financial Times.

Designed for international top management, the 530-page Financial Times World Hotel Directory will contain detailed information on the leading hotels of 910 cities in 148 countries, together with information about conference facilities.

The guide is divided into country and city sections, each with information about language, climate, currency and customs requirements, and health and visa conditions. Driving licence needs are also outlined.

The FT World Hotel Directory, costing £8 or $33 airmail, will be available from the Financial Times Business Enterprises Division, 10 Bolt Court, Fleet Street, London EC4A 3HL.

The world's biggest and most expensive off-shore oil production platform being towed out to the North Sea yesterday on its way to Shell/Esso's Brent Field north-east of the Shetlands. The 348,000-ton concrete and steel platform, constructed in Stavanger, Norway, to the Condeep design, is the first of four platforms ordered for the Brent Field and is expected to be positioned next week. When installed, it will measure 815 feet from the sea-bed to the top of the drilling derrick and will finally cost about £165m., including production facilities and wells.

Directors seek pay policy safeguards

THE INSTITUTE of Directors, which claims 44,000 company executives as members, has asked the Government for re-assurances that its members will not be discriminated against in favour of employees under the Government's new pay policy.

Mr. Jan Hildreth, the institute's director-general, asked at a meeting with Mr. Joel Barnett, Financial Secretary to the Treasury, what would happen if members were forced to pay more than £6 increases because of strong unions and a good company profits record.

Mr. Barnett replied that the Government hoped the situation would not arise.

Mr. Hildreth said that he told Mr. Barnett that the period of the "so-called social contract" did not give the Institute members confidence in the TUC's ability to limit its members' pay demands to the £6.

He asked whether the trade-unions were to be above the law because the Government's proposals would force directors to pursue the policy of incomes restraint while their employees and unions would be free from this obligation. Again, Mr. Hildreth was told that the Government thought the situation "would not occur."

Mr. Hildreth said at a Press conference yesterday that the Institute could envisage circumstances when its members could be faced with paying over the limit or have their companies "go under."

He and his associate, Mr. Andrew Richardson, had received no real elucidation at the meeting of what the Government would do if such a situation should arise. Nevertheless, he was satisfied with the discussion, which was in place of a requested meeting with Mr. Denis Healey, Chancellor of the Exchequer, because it demonstrated that the "Government recognised the Institute's members as an important body of workers."

The Institute felt that successive governments had relied increasingly on advice which had been too narrowly based. In particular, the TUC and the CBI seemed to have dominated the field.

No major lead hazard near battery factories

BY OUR MANCHESTER CORRESPONDENT

AN ENVIRONMENTAL survey carried out near two lead-using factories, and published yesterday, said that there was no major cause for concern for life round the plants.

The survey, commissioned two years ago by Chloride, manufacturer of rechargeable batteries, involved the analysis of thousands of blood, air, dust, soil and vegetation samples.

The samples were taken round the company's factories at Clifton, near Manchester, and Dagenham by experts and analysts from regional health authorities and local authorities.

Reporters were told in Manchester: "There is no evidence that the levels of lead in soil, vegetation or dust are contributing to a noticeable extent to the intake of the metal by the population living in the areas of the factories."

Lead-in-air levels at Clifton and Dagenham were above average for rural areas and most urban areas, but not above some urban areas carrying heavy town traffic.

There was an indication, however, of some slight risk to the lead workers' children aged under five whose blood lead level was higher than other children in the area. The report said that it seemed clear that the main cause was the lead traces carried home by the lead workers and ingested by the young children—probably from carpets.

Of the 600 children from whom blood samples were taken, 17 per cent. had lead levels higher than 40 microgrammes per millilitre of blood, which was becoming the "accepted standard."

IN BRIEF

Housing priorities

A new set of priorities for council housing renovation programmes in England was announced yesterday by Mr. Reg Freeson, Housing Minister, pending the report of the special departmental study group which was set up in May.

Mr. Freeson said in a Parliamentary answer that for 1976-77 priority would be given to the improvement of sub-standard houses, including those acquired from the private sector, the conversion of council-built or acquired housing which would yield a housing gain, and contractual commitments or projects in progress after last April, which have received specific Department of Environment subsidy approval.

Electricity plea

The Energy Secretary has asked Sir Peter Menzies, chairman of the Electricity Council, to see that the electricity Boards: "do all they can to make it easier for consumers to pay their bills and to resolve cases of genuine hardship with sympathy and understanding."

Maxwell recall

The works council of the Scottish Daily News, the workers' co-operative newspaper launched in Glasgow in May with the help of a £1.2m. Government loan, has agreed to restore some executive authority to Mr. Robert Maxwell, chairman of Pergamon Press who has backed the venture with £114,000.

RAF study jet

The RAF has been showing interest in the U.S. McDonnell Douglas YC-15 AMST (advanced medium short take-off and landing transport) aircraft, which was rolled out for the first time at Long Beach, California, yesterday. The YC-15 is a four-engined jet transport.

LABOUR NEWS

Strike call goes out to 9,000 journalists

By Our Labour Reporter

THE NATIONAL Union of Journalists has called on its 9,000 members employed by provincial weekly and daily newspapers to strike for 24 hours to-morrow in support of 250 journalists involved in a four-week dispute with the Birmingham Post and Mail group.

The strike call is in line with a decision taken by an NUJ special conference a fortnight ago and could cause widespread disruption of provincial papers. It was followed swiftly yesterday by an intervention at the request of the Birmingham management by the Advisory Conciliation and Arbitration Service, which held talks last night with both sides in the dispute.

The NUJ says in a circular to its provincial chapels (office branches) that it delayed action last week on its conference decision to allow talks between the union and the Birmingham management. Because there was no settlement, the NUJ's national officers were instructing provincial chapels to strike every Thursday until further notice.

Compulsory

The Birmingham journalists claim that they have been locked out unfairly for holding compulsory chapel meetings during working hours to discuss a pay dispute. After five days of meetings the journalists were dismissed and the Birmingham Post and the Evening Mail have been produced since July 7 by members of the Institute of Journalists and non-union members.

The Management denied yesterday that it had locked out the journalists. Their dismissal followed repeated warnings that disruption of production by mandatory chapel meetings would mean repudiation of their individual contracts of employment.

● Printing union leaders last night met Mr. Michael Foot, Employment Secretary, to discuss the newspaper industry's employment problems and, in particular, the issue of nearly 200 redundancy notices to production workers at The Observer.

Verdict due on Leyland works democracy plans

BY JOHN WYLES, LABOUR REPORTER

HOPES OF a big step forward in the development of industrial democracy machinery within British Leyland hang upon acceptance of revised company proposals by a meeting of shop stewards in Birmingham to-day.

The shop stewards will be considering plans for a three-tier system of joint management councils and committees which will discuss policy proposals ranging from, at the lowest level, for example, the need to replace individual machine tools to, at the highest, Leyland general investment plans.

Although union leaders are optimistic that the stewards will give their approval to-day, the company's proposals are still expected to run into general criticism for failing to measure up to the unions' demands for a measure of actual control over key company decisions.

As far as the unions are concerned these shortcomings reflect the weaknesses of the Ryder report's recommendations on industrial democracy. Leyland has faithfully followed Ryder's suggestions on this front, which in turn were based on the company's own ideas drawn up late last year. In particular the company has taken up the report's insistence that management should not lose control of executive responsibilities and that instead it must be given the scope to apply its skills "in the interests of British Leyland and its workforce."

Nevertheless, the company has also tried in framing its proposals to avoid the pitfall of consultative arrangements which would do little more than "rubber-stamp" management's decisions.

Although Leyland has not spelled out to the unions at what stage the consultative committees would be brought into the determination of new policy, it claims that it wants to create a genuinely effective structure to discuss policies needed to transform the business into a successful enterprise.

At the top of the structure Leyland's proposals envisage joint management councils for both its car and truck and bus groups with the workers' representation drawn from the lower joint management committees based at plant and departmental level. Members of the committees could be either shop stewards or lay workers and would be elected through their trade union organisations.

Subject matter which will be covered by the committees' terms of reference is much broader than the "trivial matters" traditionally discussed under present arrangements which were criticised in the Ryder report. These will include new models, manning, sales and marketing and financial performance.

● All vehicle production was at a standstill last night at the Rover factory at Solihull, Warwicks., after a walk-out by 3,000 assembly workers during the afternoon. Twenty workers on the Range Rover track had alleged that a hoist was unsafe, and talks have been going on for four days, during which there has been a go-slow.

Stepped-up industrial action could affect fire services

BY LORELIES OLSLAGER, LABOUR STAFF

FIRE SERVICES across Britain could be seriously affected as a result of stepped-up industrial action which the Fire Brigades Union is starting to-day.

The union has asked its 27,000 members to intensify their campaign of answering "emergency" calls only by such measures as refusing to come out on call unless the full complement of men prescribed by Home Office regulations is on the fire engine.

The employers would not comment on the effects of the union's action: but fire experts said privately that such a refusal as well as several other elements of the union's new 11-point plan could have serious consequences for fire services.

The emergency calls only campaign, initially started in support of the union's demand for an interim pay rise three months ago, has not had very biting effects so far.

The union has dropped its pay claim in obedience to the new anti-inflation policy, but is stepping up action now largely because in its view talks with the employers on the introduction of a 40-hour week have broken down.

The 11-point plan of action says firemen should not do service at any station other than their own, should not answer calls unless the man in charge is a properly authorised "supervisory ranking charge," should not attend any training courses, and not mend defective appliances.

Of these, experts said the first two were the most serious, next to the refusal to answer calls if there are not the required number of men on an engine.

Union leaders yesterday were considering a letter from the employers asking for clarification of their demands and offering further talks, but showed no inclination to cancel the stepped-up campaign.

The union wants first moves to be made next year towards a 40-hour week in the fire service, while the employers say this can only be done as part of an over-all re-organisation of working arrangements in the service.

TGWU men told to cut claim

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

EMPLOYEES OF Scottish and Newcastle Breweries are being asked by their trade union negotiators to moderate a claim for wage rises averaging £38 a week, which the company rejected on Monday.

Mr. Joe Mills, regional group secretary of the Transport and General Workers Union, who submitted the claim on behalf of 4,200 S and N drivers and production workers said in Newcastle yesterday that branches were being told to think again.

The men's claim is an embarassment to the TGWU whose general secretary, Mr. Jack Jones, is in the forefront of the TUC's campaign to win support for the new £6 pay limit.

Mr. Mills said that he had told shop stewards they would be "committing industrial and commercial suicide" if they persisted with the claim, which the company calculated would constitute nearly a 75 per cent. increase for that group of workers.

"I will be doing all in my power to make sure the S and N membership endorses the £6 a week pay policy of the TUC and the Government," Mr. Mills said.

The company has offered to settle within the terms of the Government's pay White Paper and the two sides are to meet again on August 15.

Mr. Mills explained that the union had been confronted with a "technical difficulty" in having to submit an extensive list of demands collated from all S and N branches and prepared before publication of the White Paper. There had been no time to amend the list before the meeting with the company, and he had told the S and N management that he expected the claim to be rejected.

Since the company knew of this difficulty, he was surprised at "its irresponsible scare-mongering" attack on the claim. If members reacted against the company it would be because of the "tactless" way it had replied to the claim.

S and N said last night that it welcomed the union's "positive approach."

Bets staff to picket

LEADERS of more than 250 Ladbroke staff in the West of Scotland decided yesterday to picket the firm's betting offices and seek the help of MPs to get their jobs back. They were dismissed during a six-week dispute.

Last week, they called off their strike and decided to apply for reinstatement. At the same time they sought assurances that there would be no "victimisation."

Yesterday, they were told they would not get their jobs back and that the company had already taken on new staff.

The strike started with a demand for union recognition, a £30-a-week minimum for women and a £15 increase for managers.

Shotton steel men 'may act against other plants'

BY OUR LABOUR STAFF

WORKERS AT the British Steel Corporation's Shotton plant in North Wales may take action against other workers if BSC's plan to close steel making at their plant is given the go-ahead by the Government.

Members of the Shotton action committee hinted at this step yesterday, while in London to lobby MPs and Ministers before the Ministerial statement on steel closures in the Commons to-morrow. This statement may not deal with Shotton, however, and may be confined to the future of open-hearth steel making in Scotland.

The Shotton representatives saw Mr. Michael Foot, Employment Secretary, in his capacity as a Welsh MP, and junior Ministers at the Welsh Office.

Mr. Monty Hughes, a member of the action committee, told reporters before the meeting with Mr. Foot that the committee would meet this month and might decide "industrial action against other works not involved in the closures."

The threat is obviously directed at the Port Talbot works in Southern Wales, which BSC would like to expand to 6m. tons capacity provided it gets the Government go-ahead to phase out steelmaking at Shotton.

Meanwhile, about 1,100 BSC craftsmen are on strike at the Templeborough plant in Sheffield over the suspension of some of their colleagues last Thursday for refusing to carry out maintenance work on an electric arc.

Other workers at the plant are on their annual holidays, but the craftsmen normally would be working doing maintenance work and repairs.

Management officials concede that the strike might not have occurred if overall industrial relations at the plant had not been affected by BSC's efforts to reduce labour costs in line with the May 19 agreement with the trade unions.

Print union backs curbs

THE 56,000-member National Society of Operative Printers, Graphical and Media Personnel has decided to support the Government's anti-inflation policy when it is debated by the TUC at Blackpool next month.

The union's national executive pledges full support to the TUC in its efforts to assist the Government in the fight against inflation "in the interest of our members."

APPOINTMENTS

Sir David Nicolson to head Rothmans

Sir David Nicolson, vice-chairman of ROTHMANS INTERNATIONAL, is to become chairman of the company from October 1. He will succeed **Lord Pritchard**, who retires from the chairmanship at the end of September but will remain on the Board as a non-executive director.

★

Mr. Peter S. Slocum has been appointed general manager of the ARAB INTERNATIONAL FINANCE CO. SA from September 1. The company's shareholders include the Marine Midland Bank and various interests from the Lebanon, Kuwait and Saudi Arabia, among other countries. Mr. Slocum resigns from the Charterhouse Group at the end of this month.

★

Mr. R. E. G. Windsor, who was vice-chairman of GKN Windsor, has retired from the Board and from all other appointments in the GKN GROUP. He has become a consultant to the company.

★

Mr. R. D. Merton has been appointed managing director of LC (TAILORWEAR), a subsidiary of R. and J. Pullman, following the death of Mr. H. G. Lesser.

★

Mr. E. Ivan Kingston has been appointed a director of CENTRAL WAGON COMPANY and has become deputy chairman. He has resigned from the Court of Directors of Ionian Bank.

★

Mr. J. Watson is now chairman of PERMALI, succeeding Mr. A. A. Heath, who has relinquished the chairmanship but remains on the Board as life president.

★

Mr. Raymond J. Parkes has joined the Board of W. TYZACK SONS AND TURNER as works director.

★

Mr. D. F. Walton, chairman of Thos. W. Ward, has been appointed a director of TUNNEL HOLDINGS following the resignation of **Mr. Arnold Carr**.

★

Mr. Brian Brown has been elected deputy vice-president of the NATIONAL TYRE DISTRIBUTORS ASSOCIATION.

★

Mr. Alan C. Cessford has relinquished his directorship of Royds Advertising in Birmingham and has been appointed a director of PHOSTROGEN.

★

Sir Ian Morrow, managing director and deputy chairman of U.K. Optical and Industrial Holdings, has relinquished the position of managing director of UNITED KINGDOM OPTICAL COMPANY, a principal subsidiary, but continues as chairman of that company. **Mr. Andrew Blakesley**, group finance director, takes on the additional post of managing director of United Kingdom Optical Company.

★

Mr. William Bryce, regional service manager of West Midlands Gas, is to become director of customer service for NORTH WEST GAS.

★

Mr. J. M. Barber has been appointed financial director of CHRISTIAN SALVESEN (MANAGERS) from September 1. Mr. B. D. Gibb will relinquish that position on the same date but will remain a director for special financial assignments.

★

Lord Polwarth is to be the next chairman of the SCOTTISH NATIONAL ORCHESTRA SOCIETY. He will succeed the present chairman, Dame Jean Roberts, on September 1.

★

Mr. Hugh Lester has been appointed managing director of LOUGHBOROUGH DYEWORKS, a subsidiary of Richard Roberts Holdings. Formerly, Mr. Lester was deputy chairman of W. A. Atkinson.

★

Mr. Vernon Coffee, chairman and managing director of Thorn Domestic Appliances, has decided to retire from executive duties at THORN ELECTRICAL INDUSTRIES on September 30. He will continue as a non-executive director.

★

Mr. G. D. Bishop and **Mr. M. A. Kirkham** have been appointed associate directors of AUDITS OF GREAT BRITAIN.

★

Mr. A. A. Johnstone has been appointed a director of STENHOUSE LIFE AND PENSIONS and will cover the company's Midlands area.

★

Mr. F. K. Kennedy has been appointed divisional department director of BIRMID QUALCAST (HOME AND GARDEN EQUIPMENT).

★

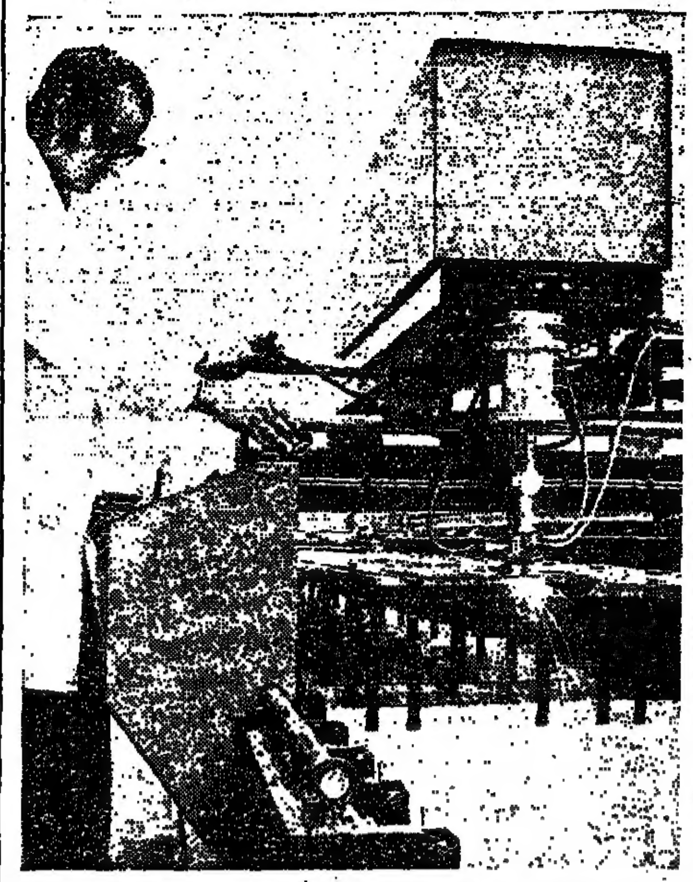
Mr. John McElroy has been appointed a director of RUSH AND TOMPKINS SCOTLAND.

★

Mr. R. H. Coleman-Cohen, founder-director, Alliance Building Society has been honoured for his work on behalf of the Israel University of Engineering and Technology, Haifa and has been elected to the International Board of Governors.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS



Westland Helicopters' laser cutting through stainless steel, leaving a clean cut only 0.004 inches wide.

Profile of a laser

FAST laser beam cutting equipment has begun production operations at Westland Helicopters, Yeovil, to cut and trim stainless steel sheet and components for Lynx helicopter rotor blades.

The machine, designed and built by Westland, with a Ferranti MF400 carbon dioxide laser head, is being used to save time and money in the manufacture of Lynx rotor blade leading edge components.

Able to cut at the rate of four metres a minute, the machine cuts stainless steel sheet, later formed into D section components for blade leading edges. It is also used to trim the surplus metal from the D sections. Previously the trimming operation took 35 minutes for each cut, and used special cutters worth over £100 for each blade produced. Now each trimming operation can be done in under two minutes, using only a few pence worth of gas — and electricity.

Lynx, designed by Westland, is an Anglo-French collaborative project. It employs a revolutionary semi-rigid rotor with blades of a composite stainless steel and glass reinforced plastic construction.

Westland is now looking into other production uses for the laser beam cutting machine, including the fitting of a numerical control system so that it can be used to profile sheet steel and titanium components.

This is one of the first realistic instances of U.K. production line application of laser cutting equipment, despite its obvious advantages over many of the traditional manufacturing methods.

According to Mr. M. Farlam, of Westland, the company looked around the machine-tool market for a long, flat-bed machine that would allow it to cut large two-dimensional components to high accuracy, but found nothing suitable and had to get its engineering department to design an in-house machine. There are a number of industries outside aerospace that could use a design such as this to advantage, particularly when fitted with numerical control ancillaries.

● CONSTRUCTION

Cavity fill problems

DEPARTMENT of the Environment intends to circulate for comment in the near future, a draft type-relaxation of the building regulations which would allow cavity foam insulation installers to carry out their work, in certain circumstances, without formal permission from a local authority.

In a circular letter to local authorities in England, the Department makes it clear that until the type-relaxation comes into effect it should be possible for authorities to relax the regulations, in the great majority of cases, to allow this work to be carried out. The Department expresses concern that a number of authorities are refusing, as a matter of course, to relax the regulations and stresses that many of the subsequent appeals coming to the department are being allowed.

The letter points out that because of the need to consult, it will not be possible to bring the type-relaxation into effect for several months. Until then, relaxations will need to continue to be carried out on a case by case basis. But the Department's view is reiterated that it should be possible to relax the regulation in the great majority of cases and attention is again drawn to the evidence of the Agrément Board of a negligible failure rate in dwellings treated in accordance with the conditions of an Agrément Certificate.

The Department says it is also concerned that delays are resulting from the need to refer applications to the appropriate committee and from demands for a disproportionate amount of information from applicants (that is copies of Agrément Certificates in respect of each individual case). Local authorities might wish to consider delegating responsibility for minor work of this nature to officers and reducing as far as practicable the procedures and paperwork involved.

The Department will be prepared to allow appeals, whether or not they are backed by Agrément Certificates in cases where there is evidence that work done on similar properties and sites in a locality by the same installer has not led to failures over a period of about a year.

Commenting on the attempt by the DoE to remove the stumbling block to home insulation it inadvertently set up through its late 1974 decision to insist on Section C9 of the Building Regulations — whereupon most local authorities clamped down on cavity insulation — ICI has welcomed the fresh approach.

It is planning a Press campaign to answer the critics of foam cavity wall insulation and points out that the systems have been endorsed by the DoE in its "Save It" campaign.

● AGRICULTURE

Fluidyne pumps to India

METAL Box Overseas and Harwell have entered into an agreement for the joint development of Harwell's "Fluidyne" liquid-piston Stirling engine for use as a simple irrigation pump in arid areas. This marks imminent application of an invention that could be of value in the developing countries.

Fluidyne pumps operate automatically by the rhythmic displacement of air between a hot and a cool zone, with water itself acting both as the displacer and as the output piston; the only other moving parts are simple valves. The pump needs a temperature difference of only a few tens of degrees to make it work, so any conveniently available fuel can be used; in many countries it is expected that the sun's heat may provide the driving power. The pump is self-starting and in operation there is virtually nothing to go wrong.

Metal Box has delegated the task of pioneering the development and manufacture of this pump to its Indian subsidiary.

Further information on Fluidyne from Dr. Colin West, Building 152, AERE Harwell, Oxfordshire, OX11 0RA. Abingdon 24141 (0235) Ext. 2562.

● POLLUTION

Separates oil from water

WHEN THE tanks of an oil tanker are flushed out after returning to the oil loading terminal with nominal water ballast, the oil and water mixture is put through a separating process to remove the crude oil residue.

According to Anti-Pollution Chemicals, this procedure consumes time and money and there is no guarantee that the water dumped is free from oil residue.

A chemical now available from the company separates the mixture of water and oil making it possible to pump out the water without the danger of taking with it the separated crude which floats on the top.

In addition, the chemical provides an inert film on the walls of the tanks which resists the tendency for the crude to adhere, saving time in the separation process for subsequent loads, and money in extra barrels of oil salvaged. The company is at 671, Bilsland Drive, Glasgow G20 9NE (041-946 5750).

● MATERIALS

Seals for problem areas

TWO-COMPONENT COLD curing polyurethane sealants for in-situ use, known as Quentflex, have been produced by Quentsplass, Wetherby, West Yorkshire LS23 7BZ. Boston Spa 843388.

The sealants are solvent-free systems with negligible shrinkage. No heating is required as they are simply mixed together and poured or gunned into place and set within a few hours. They have a Shore hardness of 30, good low temperature flexibility, cohesive strength, and recovery from deformation, as well as excellent resistance to most common chemicals.

Available either as pourable materials for horizontal joints or thixotropic ones for vertical joints, they may be used for joints in concrete, epoxy or polyurethane.

Jointing acid-resistant tiles in food factories where a flexible grout is required, highways, bridge approaches, parking decks and patios are other application sites.

Used in the lateral joints of epoxy bridge nosings, they will relieve the stress often encountered in these types of materials. For vertical joints they may be applied by caulking guns in situations where a high performance sealant is required.

● RESEARCH

Runnerless moulding studied

FULMER Research Institute and the Independent Plastics Engineering Centre (IPEC) in collaboration, are offering a multi-client study entitled "Runnerless Moulding versus Conventional Moulding."

The study is being initiated as a result of the upsurge in the use of runnerless techniques for injection-moulded plastics products. Users have been stimulated by problems of material shortage and the potential of cost savings.

Some of the more obvious benefits of runnerless moulding, such as the elimination of runners and sprues, have tended to overshadow possible reductions in cycle times and energy consumption, and the potential benefits for improvement of product quality. Acceptance has been hampered by confused terminology, the necessity of electric heating in the mould and associated electronics for control and inconsistency in the engineering and tooling components.

Primary objectives of the study are to provide management and designers with the necessary data to justify investment in runnerless moulding, such data relating to material and cost savings and product quality.

IPEC, Avis Way, Newhaven, Sussex BN9 0DU, Fulmer Research Institute Ltd., Stoke Poges, Bucks SL2 4QD.

● INSTRUMENTS

Automatic tests of flash point

TO DETERMINE petroleum flash points up to 370 degrees C to the standard methods of ASTM D93-IP34, Gallenkamp has introduced an automatic Pensky-Martens testing apparatus.

Because the test is automatic, and temperature programme control, dipping cycle and flash detection are within specification requirements, the company says the results are of high accuracy and repeatability.

Called the "Autoflash," it is said to provide "set and forget" testing. The operator puts the sample in the flash cup and sets the digital switch to the expected flash point temperature.

When flash is reached, the digital indicator stops, a "flash" sign lights, an alarm sounds, the heater is switched off and cooling water admitted to the heating block. If no flash has occurred at 30 degrees above the expected point, the same sequence takes place with a "no flash" sign.

The sample is heated at a rate of 5/6 degrees C/min., and stirred, up to 18 degrees below the expected flash point, when the stirrer stops and the test flame dips. If no flash occurs, stirring and heating continue with repeat dipping every 1 degree up to 104 degrees C, then every 3 degrees until a flash occurs or the safety limit is reached. Alternatively, testing takes place from sample temperature to flash point, a facility stated to be useful in determining sample contamination.

A. Gallenkamp and Co., P.O. Box 290, Technico House, Christopher Street, London EC2P 2ER (01-247 3211).

● ENERGY

Bench power from new type unit

WEIR INSTRUMENTATION has a low-cost general-purpose bench power supply unit capable of delivering a stabilised dc output continuously variable over the voltage range 0 to 60, with a maximum load current rating of 1 amp at any voltage setting.

Mini 561 is based on an entirely new circuit design in which comparatively high load-power rating is achieved by the use of a novel switching-mode regulator preceding a conventional series stabiliser.

This switching circuit ensures that the series stabiliser operates with a near-optimum potential across its emitter-follower transistor at all output voltage settings, thus obviating the need for range switching and for excessively large heat sinks.

Working on the unsmoothed rectified ac, the switching circuit is arranged to switch on at a zero crossing of the ac cycle and to switch off when the reservoir capacitor is charged to the required level. A slow switch-off action minimises radio frequency interference problems and avoids the need for expensive high-speed power switching transistors.

In order to offer protection to fragile load circuits Mini 561 has a built-in variable current limiter. The current limit is adjustable by means of a continuously variable control to any desired value up to 1 amp. If the load resistance is such that the current at the power supply's voltage setting would be above the selected limit, the unit automatically converts to a constant current source, so that the actual output voltage reduces to the level where the current limit is not exceeded.

Suitable for operation from a.c. mains voltages in the 100 to 120 volt and 200 to 250 volt ranges, the Mini 561 gives line regulations better than ±0.02 per cent. output voltage change for 10 per cent. change in input voltage, and load regulation better than 0.05 per cent. of maximum output for 100 per cent. load change. Ripple and noise are claimed to be less than 2 mV peak-to-peak, and transient response is such that the output voltage recovers to within 100 mV in 30 microseconds for a full load step change.

Weir Instrumentation, Durban Road, Bognor Regis, Sussex. Bognor Regis 26611.

● COMMUNICATIONS

P.O. speeds the telegrams

SAVINGS OF more than £1.5m. a year are expected by the Post Office from its new £4.5m. telegram retransmission centre in London, officially opened yesterday.

The centre is linked to 13 international telegraph offices in the U.K. and handles one telegram a second round the clock to destinations in 67 countries using 77 international telegraph routes.

Based on a system provided by Pye TMC in conjunction with Philips Telecommunicatie Industrie, and designated DS 714, the centre has the design ability to handle 12,500 telegrams an hour. If required, it could send 18,000 an hour without overload.

Automatic routing for telegrams originating in Britain is provided through a store of 10,000 international town names, account being taken of alternatives and common spelling errors.

For customers in Britain, the equipment will be required to read the address of each telegram coming in from overseas, whether these are registered telegraphic addresses, or names and private addresses, or again telephone numbers of the addressees. The system will be able to translate the telegraphic address automatically into the relevant Telex number. Over half the telegrams delivered in the U.K. go by Telex and a further development of the system will provide automatic delivery to a Telex subscriber direct from the Centre.

Some 10,000 U.K. town names are held in memory, together with means to determine variants. In addition, the DS 714 has a memory which can hold up to 100,000 registered addresses with delivery instructions.

Three central processors are installed to provide continuous operation and background program preparation. Some 500 lines are up and working and there is provision for a total of 1,250.

Commenting on the installation yesterday, Sir William Ryland, Post Office chairman, said the equipment was providing faster and more reliable service and was reducing the staff needed to run the international telegraph service by about 1,000.

PARLIAMENT

Guaranteed payments move by Tories fails

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

OPPOSITION WARNINGS that provisions for guaranteed payments to workers could operate in a way "monstrously unfair" to employers were rejected by the Government in the Commons last night when Ministers pressed MPs into a further hustle to complete the cyclopaedic Employment Protection Bill.

The Tories' "shadow" Employment Minister, Mr. James Prior, protested that the proposals in the Bill could require an employer to make the guaranteed payments where his employees were laid off through no fault of his own by a dispute in an unrelated industry.

Mr. Prior put forward an amendment to the Bill to relieve employers of the "arbitrary" onus placed upon them when they were helpless victims under the provisions of crippling industrial action by a nationalised industry.

In such circumstances, the Tories claimed that the State should be made responsible for the guaranteed payments to employees of innocent firms hit by strikes in the public sector. The bill for the payments should be paid by the Social Security system, Mr. Prior maintained.

But Mr. John Fraser, Parliamentary Under-Secretary for Employment, argued that the Opposition was here raising objections to the general principle of guaranteed payments, and introducing discrimination between nationalised industries and the private sector.

Under the Tory proposal, the decision whether or not guaranteed payments were made would be taken on "capricious and illogical grounds," Mr. Fraser contended.

The Opposition amendment, during report stage debate on the Bill was rejected by a Government majority of 67 votes (237-170).

Some Labour women MPs voted against the Government in an unsuccessful bid to reduce the qualifying period for maternity allowances.

Among the "rebels" were Mrs. Anne Taylor (Bolton West), Miss Joan Maynard (Brightside), Mrs. Audrey Wise (Coventry SW) and Mrs. Helene Hayman (Welwyn and Hatfield). Their efforts were spearheaded by Miss Jo Richardson (Barking) and then were backed by men Labour MPs including former Minister Mr. Eric Heffer (Walton) and Mr. Brian Walden (Ladywood).

Object of the rebellion was to provide allowances for mothers after one year in a job instead of having to be in employment for two.

But the "women's" revolt was defeated by 181 votes to 56, a Government majority of 125.

British Library site agreed

By Michael Thompson-Noel

THE GOVERNMENT and the British Library Board have agreed on a 9½-acre site in London's Euston Road for building the new British Library, Mr. Hugh Jenkins, the Arts Minister, told the Commons yesterday. Design work for the building will now go ahead and construction is expected to begin in 1979-80, subject to the economic circumstances at that time. The potential cost has not been specified.

The Euston Road decision reverses the British Library Board's earlier preference for a seven-acre site in Bloomsbury, near to the British Museum, as being more convenient for users.

The Department of Education and Science said yesterday that studies of the *Euston Road* site, immediately to the west of St. Pancras Station, had shown clear advantages over Bloomsbury including possible phased construction in separate stages; accommodation on one site of all the library facilities that need rehousing, and scope for expansion after the year 2000 if required.

The present owners of the Euston Road site are the British Rail Board and the National Freight Corporation.

Savings

The Department said: "The absence of listed buildings for preservation should result in substantial cost savings, though it would be misleading to give figures at this stage for total costs, savings, or size of first phase."

The design and other preparatory work is in any case expected to take four years, but yesterday's announcement at least ends a long chapter of uncertainty.

The main factors counting against a Bloomsbury siting were said last night to have been the amount of redevelopment and disturbance involved.

The British Library was formed in July, 1973, from the library departments of the British Museum and other national libraries. It is not part of the British Museum.

Pollution controls will come into force

By Lorne Barling

CERTAIN PROVISIONS of the Control of Pollution Act "which do not involve significant public expenditure" will be brought into force in the next few months, Mr. Denis Howell, Minister of State, Department of the Environment, said, yesterday.

His announcement, in answer to Parliamentary questions, follows considerable criticism of delay in implementing provisions of the 1974 Act, which covers a range of anti-pollution measures including waste, effluent, air pollution and noise.

The principal effects of yesterday's announcement will be to force all local authorities to introduce licensing system for waste tipping, at an overall cost of around £1m. It will also allow local authorities to set up noise abatement zones in which they would be required to record noise levels.

Mr. Howell added that he would be in touch with water authorities and industry about voluntary disclosure of information, a decision which was welcomed yesterday by Friends of the Earth, which has long complained of secrecy surrounding pollution by industry.

Short: No devolution decision yet

By John Bourne, Lobby Editor

MR. EDWARD SHORT, Leader of the Commons, told MPs yesterday that the Government's proposals for a Scottish Assembly would be published as a White Paper in the second week of October, and would be incorporated in a Bill by the end of the year, or the beginning of 1976.

He said that although an article in the Scottish Daily Record last Friday about the devolution issues being studied by the Government was "intelligent speculation," no final decisions on these matters had yet been taken.

The newspaper report suggested that the Government had virtually decided on the establishment of pre-legislation committees in the Assembly, whose chairmen would form a Scottish "Cabinet."

It also suggested the possibility of the assembly being allowed to raise its own taxes—subject to a limit of either 10 per cent. of the total block grant it received from Westminster, or an extra 10 per cent. on top of the grant.

Insolvency law changes under review

PROPOSALS FOR legislation which include increases in all monetary limits in existing insolvency provisions, including those concerning preferential claims, are being considered by the Government.

This was disclosed in the Commons yesterday by Mr. Peter Shore, the Trade Secretary, when he was asked whether he proposed action to make employees of a company which goes into liquidation preferential creditors to the extent of any amount properly incurred as expenses in the six months preceding liquidation and £2,000 in respect of wages or salary.

The Minister pointed out that, under the Employment Protection Bill, now at its report stage in the Commons, employees of a company which went into liquidation would receive prompt payment of their claims from the Redundancy Fund.

Ulster finance body's powers

By Our Lobby Editor

THE GOVERNMENT announced yesterday that the Northern Ireland Finance Corporation's powers would be changed to fit in with the establishment of the National Enterprise Board and the Scottish and Welsh Development Agencies. Legislation will be introduced later this year so that the amended powers would be available to the Corporation by April, 1976.

Events in Portugal 'will test impact of Helsinki'

BY PHILIP RAWSTORNE

FUTURE EVENTS in Portugal would provide the first test of the co-operation agreements signed at the Helsinki conference, Mr. Harold Wilson told the Commons yesterday.

The Prime Minister said that he had emphasised this point in talks with Mr. Brezhnev, the Soviet leader, whose reaction suggested that he had no complicity in the present situation.

Amid Tory scepticism, Mr. Wilson said there was some evidence of financial assistance from East European countries to the Communist Party machine in Portugal. "That is a different thing from Government help and support," he declared.

Mr. Wilson, in a cautiously optimistic statement on the Helsinki talks, said they "represented no more than a beginning but . . . a beginning in the right direction."

The success of the conference would be judged by its results which would be assessed at another meeting in Belgrade in two years' time.

"The limited measures which were agreed should have their value in creating the first elements of confidence without which further progress will not be possible," said Mr. Wilson.

"At best . . . they should provide the basis for the development of more fruitful and constructive relationships."

The Government would be watching for greater freedom of movement for journalists and greater freedom for them to write.

Opposition Leader Mrs. Margaret Thatcher asked: "What actual steps would you expect the Soviet Union to take in the coming year or so if they are to prove the agreement is a living reality and not a formality?"

Mr. Wilson replied that most in the West, but some others as well, had said the real test would be not the undertakings signed but the progress made in fulfilling them.

One of the real tests would be the mutual reductions in forces.

Of significance, within hours of signature, had been the agreement between the German Federal Republic and the Polish Government which would involve free movement over a period from Poland to Germany of 120,000 people seeking to return to Germany.

He told Mr. Russell Johnston (L. Inverness) that there was now hope of some new initiative in the Greece-Turkey situation.

Mrs. Margaret Bain (SNP, Dunbarton E.) asked if Mr. Wilson expected there to be any progress between now and the Belgrade Conference about the removal of Poseidon and Polaris from Scottish soil.

Mr. Wilson said Mrs. Bain was right in emphasising the importance the Government attached to limiting nuclear proliferation. He hoped that progress would be made at the second stage of the Strategic Arms Limitation Talks on the international nuclear arms race

Defeat in Lords on industrial democracy

THE GOVERNMENT was defeated in the Lords yesterday during the report stage of the Industry Bill—which sets up the National Enterprise Board.

The Bill enabled the Board to promote "industrial democracy" in its undertakings; but an Opposition amendment enabling the Board instead to promote good "industrial relations" and the involvement of employees in the affairs of their undertakings was carried by 71 votes to 66, a majority against the Government of five.

Opposition spokesman Lord Aberdare complained that the phrase "industrial democracy" was too vague and meant nothing to anybody. It was totally wrong to put words in a Bill which could not be defined.

Government spokesman Lord Lovell-Davies replied that the Opposition amendment was too weak and did not contain the Government's intentions to bring about fundamental changes in attitudes and the balance of power and responsibility in industry.

The phrase "industrial democracy" best expressed the Government's concept. They were committed to a far-reaching extension of industrial democracy.

Workers on the Board 'law by 1976-77'

WORKERS COULD have seats on the Boards of private companies—by law—by the late 1970s.

Legislation on the rights of employees to be represented on the Boards of private companies should come before Parliament in the 1976-77 session, Mr. Peter Shore, Trade Secretary, told the Commons yesterday.

Mr. Shore announced the setting-up of an independent committee of inquiry to examine how workers could participate in major decisions affecting the future of their companies, through representation at Board level.

The committee would be asked to report to the Government within 12 months, and the Government intended to go "all out" to be ready for legislation in 1976-77.

Mr. Shore said these measures would involve a major change in company law but would clearly bring about a fundamental change in the way industry was managed. Because of this, and because the issues were both complex and, in this country, relatively unexplored, the Government wished to have the best available advice before coming forward with legislation.

The committee's terms of reference would be to consider how to achieve greater participation, accepting the role of the unions, and to analyse the implications of representation for efficient management and company law.

The names of the chairman and members would be announced shortly.

Mr. Shore said: "The committee will wish to call for and receive evidence quickly and I hope that interested parties will begin to prepare their evidence right away. There is a need for a wide-ranging debate on this important subject so that a full measure of public support may be achieved."

The Government also intended to take a radical look at the role of employees in decision-making within nationalised industries. A study had been set in hand.

"Meanwhile, the Government hopes that experiments in developing new forms of industrial democracy and democratic self-management within the existing framework of the law will continue; and that the establishment of the committee of inquiry will in no way prevent the work now in progress from continuing to develop."

Mr. Shore also praised Mr. Giles Radice (Lab., Chester-le-Street) who had introduced a Private Members' Bill on Industrial Democracy. The debates of the standing committee which had considered that Bill would be a very helpful contribution to the work of the committee of inquiry.

Mr. David Madel (C., South Bedford) from the Opposition front bench, welcomed the statement, but asked the Government to have another look at the terms of reference, which at first sight seemed "somewhat narrow."

Mr. Cyril Smith (L., Rochdale) regretted the committee could not cover nationalised industries.

Mr. George Park (Lab., Coventry NE) said the Government should realise that the appointment of workers to Boards was not the be-all and end-all of worker participation.

Court Line statement by Wilson to-day

BY PHILIP RAWSTORNE

MR. HAROLD WILSON is to make a Commons statement to-day about the Government's refusal to allow the Ombudsman access to Cabinet Committee documents on the Court Line affair.

Announcing his personal intervention during angry exchanges in the Commons yesterday, Mr. Wilson said he would "nail this matter once and for all."

Referring to a "mendacious and totally characteristic article in The Times newspaper which suggested that the Government had withheld the documents to conceal his own role in the affair, Mr. Wilson said that the question of the Ombudsman's access to Cabinet papers had been fully debated in the 1965 Act which established the office.

"The rules which were laid down then have been followed by successive Governments," he declared.

The Prime Minister's statement will precede a half-day's debate on Court Line in which Mr. Peter Shore, Secretary for Trade, will face Opposition charges that he misled the Commons last week by telling MPs that the Ombudsman, Sir Alan Marre, had been given full access to all the relevant information.

But the main target for the Tory attack in the debate will be Mr. Anthony Wedgwood Benn, whose statements about Court Line when he was Secretary for Industry last year, were criticised by the Ombudsman for misleading thousands of holiday-makers by creating "undue confidence" in the company.

Mr. Wedgwood Benn intends to mount a vigorous defence of the position he adopted at the time with full Cabinet authority.

Cuts in drug promotion costs likely

Financial Times Reporter

A CUT in the promotional expenditure which the pharmaceutical industry is able to undertake and subsequently reclaim from the National Health Service was foreshadowed by Dr. David Owen, Minister of State for Health, in the Commons yesterday.

While paying tribute to the valuable contribution which the industry makes to Britain's export earnings, he complained that too large a proportion of revenue from home sales — something like 14 per cent.— was going to promotional activity.

Dr. Owen insisted that there could be too much promotional activity and spoke of gifts and lavish amounts of samples made available to doctors which resulted in an unnecessary charge being made on the health service.

"This is an area for sensible expenditure cuts which will not affect the National Health Service," stated the Minister.

Dr. Owen recalled that he had already made it clear that, in seeking a reduction in promotional expenditure, he did not wish to prejudice the position of journals of reference value.

Later in a written reply, Dr. Owen expressed concern that in the case of new medicines practitioners often had to rely on promotional material from pharmaceutical companies as their chief source of information.

He confirmed that he was negotiating with the Association of the British Pharmaceutical Industry with a view to agreeing "substantial reductions in expenditure on sales promotion."

Scheme to give more jobs to young people

By Our Lobby Editor

ANOTHER 1,000 jobs for young people finding it difficult to get normal employment are to be made available through the Government-backed Community Industry scheme, said Mr. John Fraser, Parliamentary Secretary for Employment, in a written Parliamentary answer yesterday.

The Department said that this meant a total of 3,000 would now be able to make use of the scheme, an increase of 50 per cent. The scheme operates in 20 areas of England, Scotland and Wales through the National Association of Youth Clubs. It is estimated that the expansion will cost up to £1.5m. in a full financial year.

This is the latest in a series of Government measures to help young people in the current recession. Others include schemes to be set up by the Training Services Agency to provide first year off-the-job craft or technical training for people unable to obtain apprenticeships—up to 7,000 places to be available in the first instance; grants to construction industry employers to stimulate apprenticeship recruitment; help to apprentices threatened with redundancies; special training courses for up to 5,000 unemployed school leavers and other young people each year;

MARINE MIDLAND BANKS, INC.

CONSOLIDATED BALANCE SHEET • JUNE 30, 1975

Assets	
Cash and due from banks	$ 1,765,011,000
Interest bearing deposits with banks	1,205,010,000
Trading account securities	48,530,000
U.S. Government and Federal Agency obligations	641,683,000
State and municipal obligations	586,471,000
Other securities	144,711,000
Total investment securities	1,372,865,000
Loans in domestic offices	4,079,671,000
Loans in foreign offices	1,598,999,000
Mortgages	938,548,000
Total loans and mortgages	6,617,218,000
Federal funds sold and securities purchased under resale agreements	102,706,000
Direct lease financing	124,741,000
Premises and equipment	144,430,000
Customers' acceptance liability	156,333,000
Interest receivable	115,480,000
Deferred charges and other assets	101,523,000
Total assets	**$11,753,847,000**
Liabilities, Reserves and Capital	
Demand deposits	$ 3,558,823,000
Personal savings	2,021,217,000
Other time deposits	1,484,150,000
Deposits in foreign offices	2,484,645,000
Total deposits	9,548,835,000
Federal funds purchased and securities sold under repurchase agreements	767,440,000
Other funds borrowed	150,577,000
Interest, taxes and other liabilities	190,141,000
Unearned discount	136,787,000
Acceptances outstanding	158,860,000
Notes and mortgages payable	61,835,000
Debentures	200,000,000
Total liabilities	11,214,475,000
Reserves for Possible Loan Losses	103,837,000
Capital	
Preferred stock	3,696,000
Common shareholders' equity:	
Common stock $5 par Authorized — 20,000,000 shares Issued — 12,512,476 shares	62,562,000
Capital surplus	110,128,000
Retained earnings	260,096,000
Less — common stock in treasury, at cost — 29,710 shares	(947,000)
Total common shareholders' equity	431,839,000
Total capital	435,535,000
Total liabilities, reserves and capital	**$11,753,847,000**

Securities and other assets carried at $803,654,000 are pledged to secure public deposits and for other purposes, including securities sold under agreements to repurchase.

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RACING

Murray can win on popular Calaba

By Dominic Wigan

WITH LESTER Piggott absent in France, Tony Murray has come in for the ride on that popular mare *Calaba*, top weight in to-day's Brighton Challenge Cup.

She has the formidable task of giving between 6 lbs and 2 stone to her five opponents, but may have most to fear from the luckless Ribellaro.

Interesting

An hour after the Challenge Cup I believe it could pay racegoers to take a chance with the lightly raced *Presently Do* in the Hassocks Stakes. Although this filly has shown little on her last two runs, she is reported to be back in fine fettle and a reproduction of her good showing in the Jersey Stakes would see her home.

Sandy Barclay, who has been enjoying a good spell in the North recently, partners Denys Smith's Wee Sovereign in the Corraith Handicap at Ayr to-day. It will be interesting to see if this recently disappointing six-year-old can gain his fifth victory here and his third over the six furlongs course and distance.

Wee Sovereign may do so—particularly now that he has the fast ground which suits him best but my own preference is for the improving *Burriana*, to whom he has to concede 25 lbs. This chesnut daughter of Kalydon kept going well to win at Warwick ten days ago after being off the course for two months.

In what seems sure to be a competitive race for the Underwood Nursery, another Barclay mount, *Mabruk*, appeals as the likely answer. This colt could hardly have won more easily when disposing of seven rivals headed by Tucsedo at Haydock on his last appearance.

BRIGHTON
3.00—Touch of Gold
3.30—Calaba*
4.00—Velvella
4.30—Presently Do***

AYR
2.45—Mabruk
3.15—Burriana**
4.45—Royal Russet

PONTEFRACT
2.45—Verity's Request
3.15—Isomer
3.45—Pal's Bambino
4.15—Venus of Stretham
4.45—Barsheba
5.15—Highland Jig

DEVON
3.30—Queen's Folly
4.00—Fire Red

CRICKET: SECOND TEST BY TREVOR BAILEY

The downpour that came too early to help Greig

SOME 40 minutes before play could begin on the final day of the Lord's Test, a heavy shower followed by rain held up play until noon. This effectively killed the outside chances of an Australian win, leaving two possibilities—the probable draw and an English victory.

As the pitch was completely covered it was unaffected by the rain and Greig must have been disappointed that the rain did not come after a ball had been bowled.

McCosker and Ian Chappell resumed against the pace of Snow and Lever and in the opening over the former completed a sound 50. For the first time in this match Lever looked more dangerous than Snow, who was replaced by Woolmer after a short spell. The Kent medium pacer wobbled the odd delivery without ever quite suggesting real penetration.

Contrasting

As seam was unable to achieve the vital breakthrough, Greig turned to the contrasting spin of himself and Underwood. Both troubled the batsmen and slowed the run rate, which anyway had no significance, but they were unable to dismiss either McCosker or Chappell, who were still together at lunch with the score at 149 for 1.

The same pattern continued after the interval with both English spinners supported by highly attacking fields which inevitably produced runs whenever the bowler was off line. Chappell reached his 50 and soon afterwards Steele, with a field placement which would have flattered Bedi, trapped McCosker in his second over.

Greg Chappell was not deterred and opened his account with a swept six off the next delivery. The Chappell brothers settled in and it was beginning to look as if a draw was inevitable unless rain intervened when the Australian captain made one of his rare errors, playing no stroke at Greig, and was out lbw. The total was 222 and Ian Chappell's contribution an impressive 86.

At the same score Underwood for the first time made one lift and turn to G. Chappell who was lucky to clear the slips, while newcomer, Edwards, showed moments of uncertainty against Greig.

Another wicket was vital and should have fallen, but unfortunately Chappell was missed on two occasions, first a difficult running catch at mid-wicket, and then at leg slip by Steele after the second new ball had been taken. At the tea interval Chappell and Edwards were still together and at 264 for three a draw became almost a certainty.

The final session was quiet and uneventful with G. Chappell and Edwards enjoying some batting practice against an English attack which, by this time, had lost both venom and hope on a passive pitch. At the close, Australia were 329 for three, figures which were only of statistical interest.

Fairest result

A draw, which had always looked probable, from Saturday afternoon, was the fairest result to a game which, after a splendid Thursday and Friday, had been almost snuffed out by an ultra-perfect, lifeless wicket.

However, there were many good features, not the least being that England have rediscovered a belief in themselves. Tony Greig batted brilliantly and led his team impressively. Edrich, Steele and Wood all played sterling innings, and Snow produced one brilliant spell of pace bowling.

Large crowds are now assured for the next two Tests and the odds against England have been greatly reduced. Amiss, who met with no success down the order, could well be in danger of losing his place as could Lever and Gooch—unless he scores heavily in the interim—and possibly even Underwood, if rain is not around.

YACHTING BY ALEC BEILBY

Disqualified Australians drop place in Admiral's Cup

COWES, August 5.

THE WORST fears of the Australian Admiral's Cup team were realised here to-day when the special committee appointed by the Royal Ocean Racing Club decided that the yachts which started early in yesterday's inshore race should be disqualified and collect no points for the race.

Ted Kaufman's Mercedes IV was one of the four yachts which crossed before the gun fired and there had been talk of a protest against the race officers on the grounds that the gun was fired several seconds late.

The threat faded when it was pointed out that the flag signals, which also indicate the start, were lowered at the right moment and it was at this moment that the race officers judged the yachts to be at fault.

Bad race

Apart from the starting problems, Mercedes had sailed a bad race, making a crucially wrong tactical decision on the way eastwards to the Nab Tower. So even if the committee had decided merely to impose a percentage penalty on her finishing time the outcome would probably have been the same.

The Australians, who had produced the most consistent if not the highest scoring result in the opening race, have now dropped one place in the overall picture, allowing the British to move up to third place a mere 28 points behind the leading German team and 20 points behind the Americans.

To-morrow's inshore race, the second sailed in the series within the Solent, counts for single points and the gap could well be narrowed further if the British team can show the form of yesterday.

This situation, in turn, will mean that the outcome of the series as a whole will be decided somewhere between Cowes, the Fastnet Rock off south-west Ireland and Plymouth during the Fastnet race, which starts on Saturday.

Even the New Zealand teams, who fared badly in the opening race and lie 95 points behind the leaders, can still be said to have a chance, though below that point on the scoreboard the other 14 national teams have little hope.

To-day's race for the Britannia Challenge Cup was started an hour earlier than the traditional Cowes Week 10.30 starting time and a fleet of 90 Class I yachts headed westwards down the Solent on the first leg of a 60-mile course round the Isle of Wight.

Best at the start, right under the Royal Yacht Squadron battlements and at the windward end of the line was Tony Morgan's More Opposition, on charter to the Swiss Admiral's Cup team.

She calmly sailed out of Cowes harbour avoiding the juggling for good starting positions that was taking place further off shore and crossed the line with an air of well-timed calm.

Cool day

Many of the Admiral's Cup yachts stayed in harbour on this wet, cool day in preparation for to-morrow's race as many crews regarded the race round the island to be too long on the eve of an Admiral's Cup race where so much still lies at stake.

Jim Kilroy's 79 foot American ketch, Kialoa, led the way to the Needles as rain swept the Solent and she carried the fair tide round the south shore finishing this evening to face a long wait to see whether she had saved her time on handicap over the smaller yachts still at sea.

Baron Edmund de Rothschild's Gitana VI was just in sight of her at the finish.

Overall victory went to the Australian Admiral's Cup yacht Bumblebee, owned by John Kahlbetzer which beat More Opposition by 15 minutes. The Americans aboard Kialoa had to be happy with line honours and a 14th place on handicap.

£45m. in grants for industry

THE GOVERNMENT has made available £25m. to the ferrous foundry industry and £20m. to the machine tool industry to promote moderinsation and raise productivity.

Foundries projects should be submitted under one of three categories.

1—Investment in new plant and equipment. Minimum project cost £25,000.

2—Investment in new buildings or extensions. Minimum cost £50,000.

3—Expenditure other than under 1 and 2, and perhaps involving more than one firm. Minimum cost £50,000.

Form of assistance:

1—A grant of 25 per cent. of the net eligible cost of plant and equipment (after deducting any Regional Development Grant for which that expenditure may qualify) will be made on completion of the project.

2—For an approved project a grant of 15 per cent. of the net eligible cost of buildings (after deducting Regional Development Grant) will be made on completion.

3—Projects may involve expenditure on, for example, cost of resiting plant, adapting existing buildings, or additional working capital following rationalisation or the merger of two or more companies. Assistance for approved projects will take the form of a loan or interest relief grant towards costs not covered by Categories 1 and 2.

Detailed guidelines for applicants will be available shortly from regional offices of the Industry Department. Applications from firms may be submitted between now and the closing date of December 31, 1976. Expenditure on approved projects must be completed by August 31, 1980, in order to qualify.

Machine tools:

1—Projects involving the design and development of new machine tools up to the point of commercial production. Minimum cost £100,000.

2—Projects involving one or more of these categories of expenditure:

Category A—Investment in plant and equipment.

Category B—Investment in new buildings and extensions.

Timing:

Category C—Appropriate costs not included within Part 1 and Part 2 categories A and B.

Proposals under Part 2 are subject to a minimum qualifying expenditure of £50,000 for individual categories and of £100,000 where more than one category is involved.

1—A concessionary loan or equivalent interest relief grant, for not more than 50 per cent. of eligible costs.

2—Category A—A grant of 20 per cent. of eligible costs, in lieu of the interest rate subsidy on concessionary loans, after deducting any Regional Development Grant for which the expenditure might qualify will be made on completion of the project.

Category B—A grant of 15 per cent. of eligible costs, in lieu interest subsidy on concessionary loans, after deducting Regional Development Grant.

Category C—A concessionary loan or equivalent interest relief grant for not more than 50 per cent. of eligible costs.

Timing:

Applications must be submitted not later than December 31, 1976, and expenditure on approved projects must be incurred before August 31, 1978.

Requests for guidance should be made to the Department of Industry.

Buses threat condemned

LIGHTNING industrial action to disrupt bus operations which were threatened yesterday by some public garage transport workers in Greater Manchester were condemned as "completely unofficial" by their union, the Transport and General Workers Union.

Labourers and semi-skilled workers employed at several of the 20 garages belonging to Greater Manchester transport said that they would walk out without notice because of moves to reduce their working week from 40 to 39 hours.

Decision delay on airport

THERE IS unlikely to be a decision on the future of Liverpool Airport this year, it became clear yesterday from a letter from Mr. Peter Shore, Trade Secretary, which was read to the Merseyside Chamber of Commerce and Industry.

Mr. Howard Neve, chairman of the Chamber's air transport committee said later that an early decision on the future of the airport was important because in the meantime it was impossible to attract new airlines, services and holiday tours while it remained undecided.

هكذا من الأصل

The Executive's World

EDITED BY JAMES ENSOR

Anthony Robinson reports from Milan on the plan to revivify the perennially loss-making Italian operations of Pirelli

The Achilles heel of a bi-national giant

LESS THAN two years after agreeing the details of a five-year re-organisation and development plan with the trade unions Industrie Pirelli, the perennially loss-making Italian operating subsidiary of the Dunlop-Pirelli group, has been forced by the dramatic downturn in its tyre, cable and consumer goods activities to draw up another five-year re-structuring plan.

It represents another major effort to come to grips with the problems of Industrie Pirelli which has lost no less than L78bn., (£56m.), over the last four years and faces further heavy losses until 1977 at least, even if the new plan bears the hoped for results.

But before discussing the new plan it is worth seeing just what has been achieved by Industrie Pirelli up to now. The original plan agreed with the union on September 28, 1973, provided for the investment of L128bn. over the 1973-77 period, of which L63bn. was to be in modernising plants in northern Italy, L40bn. in new plants in southern Italy and L6bn. for health and safety improvements. All this was in addition to a fundamental management re-organisation to produce a slimmer, more highly trained management structure within a de-centralised system giving greater power and operational autonomy to individual profit centres. This new management structure is now a working reality.

Meanwhile as of end December 1974 some L63bn. of the promised L128bn. has already been invested. Among other things this had led to the construction of new plants at Battipaglia (cables), Val Basento (conveyor belts, rubberised sheets and not tyres as originally conceived), Manopello near Pescara (indented belts) and Valpego near Chieti (transmission belts).

In financial terms Industrie Pirelli has managed to reduce its losses from Lire 35bn. in 1972 to 16.8bn. in 1973 and 11.3bn. in 1974. But, as the table shows, the improvements in operating efficiency have been greater than these statistics imply.

In 1972 Industrie Pirelli turned in an operating loss, before financial and fiscal charges, of Lire 17bn. which was turned into a Lire 2 bn. operating profit in 1973 and one of Lire 21.8bn. in 1974. But the weight of accumulated losses plus the doubling of interest rates last year kept Industrie Pirelli still deeply in the red and the market downturn since the autumn of 1974 ensures further heavy losses.

Against this background of falling demand, rising costs spread over lower output and the prospect of continuing losses Pirelli has been obliged to put 40 per cent. of its 34,000 strong Italian workforce on short time working and bring out its new plan.

The plan, which has been prepared by Pirelli management and presented to the unions as the basis for negotiations, provides for the investment of Lire 270bn. over the next five years. This is a figure which includes the Lire 65bn. earmarked under the first plan but not yet spent, and also takes into account cost inflation calculated at 12 per cent. annually over the period. It is therefore a much more modest outlay in real terms than it appears at first sight.

Pirelli hopes to raise 150bn. of this total through the re-investment of depreciation funds, 60bn. through the sale of assets and a possible bond issue if market circumstances permit, and Lire 60bn. from the State in the form of low interest credits for investment in southern Italy.

The key features of the plan include a major restructuring of Pirelli's Italian tyre plants and the development of new applications in the plant construction, agricultural, public transport, goods and passenger-handling, flood control and environmental sectors.

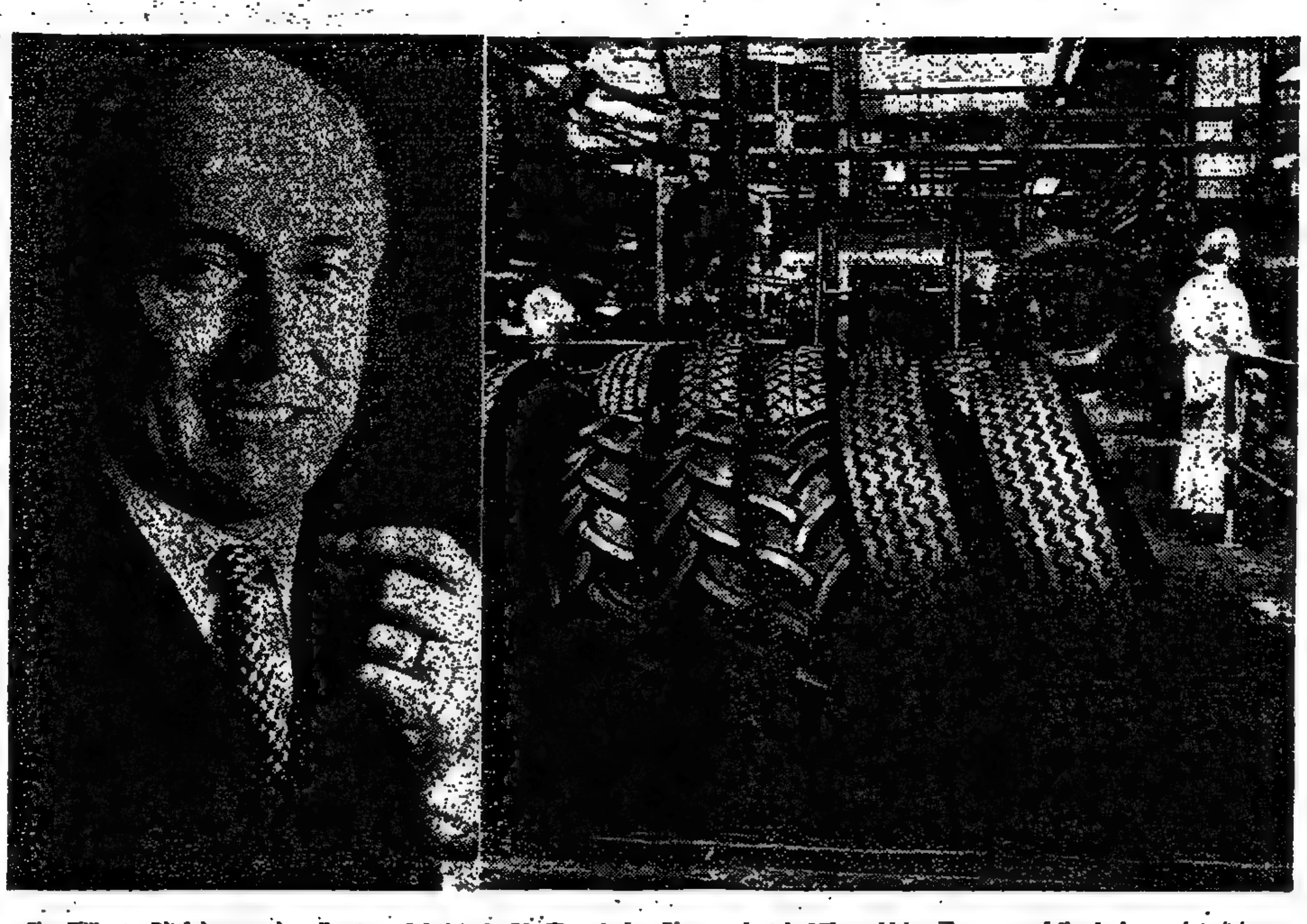
To take the first point first, it is by now abundantly clear that Industrie Pirelli's Achilles heel is the tyre and associated automotive activities which together account for roughly 50 per cent. of its L430bn. turnover. On Pirelli's calculations its Italian labour costs, including the over 40 per cent. social security charges, at L4,400 per hour (£2.80) are double those in Pirelli's U.K. plants and L200 per hour higher than wage costs at its German plant. At the same time productivity in its West German tyre plants is 30 per cent. above that in its Italian plants and even U.K. productivity is 10 per cent. higher. Given the existence of a 30 per cent. over capacity in Europe in the tyre sector because of the automotive slump, it is clear that Pirelli's Italian tyre plants are highly uncompetitive at a time when over-supply has led to price cutting and other tough forms of competition.

Ideally, Pirelli would like to have closed its tyre plant at Tivoli near Rome, as well as three other smaller plants producing rubber and plastic consumer goods and the obsolete cable plant at Livorno.

In Italy, however, it is virtually impossible for a major group like Pirelli to either close down a plant or sack workers. It knows that any such move would spark off solidarity strikes and other demonstrations throughout its 48 plant Italian network. Under these circumstances it has decided to keep all its existing plants going, except Livorno which will be closed and replaced by a more modern plant in the same general area. Instead it will rationalise tyre production. Up to now the tyre plants have tended to produce several different types of tyre in all the various plants. Under the terms of the new plan Pirelli intends to specialise production. Giant tyres for trucks and other industrial vehicles will be produced solely at the Bicocca plant at Milan, the Settimo Torinese plant in Turin will specialise in automobile tyres, and Villafranca Tirrena in Sicily will produce motor-cycle and other light tyres while Tivoli will specialise in tractor and cross country tyres.

Obtaining trade union co-operation for the kind of internal labour mobility and higher productivity needed to put this plan into practice is going to be very difficult. As managing director Sig. Filiberto Pittini points out, it is difficult to sell the idea of higher productivity when workers are on short time, but without it the Italian plants risk losing competitivity to an extent which threatens the survival of Industrie Pirelli as a whole.

INDUSTRIE PIRELLI	1972	1973 (in million lire)	1974
Operating profit (loss)	(16.993)	2.010	21.849
Financial charges	(16.553)	(17.463)	(32.834)
Taxes	(1.543)	(1.400)	(328)
Net loss	(35.089)	(16.853)	(11.313)



Sig. Filiberto Pittini, managing director of Industrie Pirelli and the Bicocca plant in Milan which will now specialise in heavy duty tyres.

Imports

The point is that in 1975 Pirelli expects to produce a mere 270,000 tons of tyre compared with 325,000 tons in 1971 while exports have remained stationary for three years and imports have shot up by 50 per cent. to 62,000 tons. Regaining lost ground requires Pirelli getting the economics of its tyre production right in time for the predicted upturn in the tyre market in 1977.

But tyres are not Pirelli's only problem. It is also heavily dependent on a continuous flow of orders and prompt payment from the State controlled telephone company SIP and the nationalised electricity corporation ENEL. After a 30 per cent. annual growth in telephone cable demand between 1968 and 1973, new orders plummeted by a third over the second half of 1974 as the telephone company cut orders as part of the Government's austerity drive. Much smaller growth is now expected through to the mid-1980s. This means that Pirelli's telephone cable plants are likely to be underutilised until 1984, unless it can find export outlets to fill the gap. The financial problems of ENEL have also led to reduced orders and delayed payments in this sector as well, although the long-term growth prospects for energy cables remain bright.

New business

But while tyres and cables are vital to the overall future of Industrie Pirelli, the new plan also calls for even greater efforts to diversify into major new product areas. To this end it has set up a "special studies centre" to pick out and explore potential new lines of business. Pirelli has recently stepped up the effort to export its plant design and engineering capabilities. It recently signed contracts worth a total of L60bn. (£43m.) for the supply of tyre and rubber accessory plants to the Soviet Union, Iraq and Iran and is currently negotiating contracts for twice this amount, principally in Eastern Europe and the Arab countries.

Apart from this Pirelli sees a big potential future in the use of special rubber sheets to line dams and irrigation canals, flexible dams for flood control on major rivers and for special purposes such as water control on the Venice lagoon, flexible anti-pollution booms, plastic drainage and sewerage pipes and related water collection systems, flexible underwater storage cisterns for oil, gases and other products, inflatable rubber piers, conveyor and transmission belts, pedestrian and freight conveyor belts and handling equipment (on which it is collaborating closely with Dunlop).

If it manages to obtain the vital trade union co-operation, raise the necessary funds and press on with its plans, Industrie Pirelli should be a very different looking company by 1980. But there are still a lot of hurdles in the way.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

A director not a member

Along with two others I was elected to the Board of a company in January 1975 though to date we have not acquired a shareholding though we have attended director's meetings and two A.G.Ms. I have asked for copies of the memorandum and articles of association and for balance sheets, but am told that without a shareholding I do not qualify for either of these. Is this so? In any case I am told the articles are mostly Table A. In that case, contrary to the present practice, should not motions put to directors' meetings, be decided on a show of hands?

It seems that a director who is not a member of the company is not entitled to copies of the company's memorandum and articles or accounts in their capacity as directors. However, you can inspect both classes of document at Companies' House in your capacity as a member of the general public. It is difficult to see how the statutory annual accounts can have been properly presented to the annual general meeting by the directors if not previously considered at a directors' meeting. Unless the powers of the Board have been delegated to a committee, and this is authorised by the articles, a Board meeting requires notice to all directors to be given and resolutions which are not unanimous or *nemine contradicente* should be effected by a show of hands or similar "one man, one vote" method. The chairman is usually given (by the Articles) a casting vote in case of equality on a division of opinion.

Travelling expenses

I understand from replies I have read from you in the past that travelling expenses in connection with property letting to inspect need for repairs and their progress etc would be tax deductible if not incurred on purchase.

Such expenses have been allowed in the past but a new Inspector is disallowing these back to 1969-70 on the grounds that: "Schedule A makes no provision for deducting travelling expenses incurred in the actual management of property. The travelling aspect simply puts you in a position to enable you to manage." My contention is that such expenses are wholly and necessarily incurred in connection with management. Could I have your opinion?

The new Inspector seems to be allowing Schedule E memories to influence his Schedule A thoughts. Whether the cost of travel to and from one's own investment property is an expense of management is a question of fact in each case, and it is not surprising that the Schedule A rules neither allow nor disallow it as such. Provided that there was no duality of purpose in the journeys in question (for example that you were not going to that town to visit a friend or the local museum as well as to inspect your property), the cost should generally satisfy criteria for deduction under the Schedule A rules: since questions relating to the property would doubtless be exercising your mind on both the outward and the return journeys, it is difficult for the Inspector to maintain that management does not commence until arrival and ceases when the property is out of sight. It may be helpful to suggest tactfully that the Inspector consider the parallel situation of an owner whose agent travels to and from his property on his behalf.

Another point is raised by your letter, if you mean that the new Inspector is seeking to disturb agreed figures for past years by making additional assessments (or further assessments, to be precise). The powers of both Revenue and taxpayer to reopen closed matters are circumscribed, particularly where the point in question was in the minds of both parties when the original agreement was come to. It may well, therefore, be unnecessary for you to spend time arguing over past tavel, and we suggest you restrict the discussion to 1974/75 travel, pointing out that earlier years appear to be beyond disturbance now.

Obstruction to a right of way

There is a right of way for me round the back of my shop over land retained by the builders, who are bankrupt. The tenant of another shop persists in parking his car on this, so preventing me from using it. Against whom could I take action?

You may have a right of action against the person who obstructs the right of way, but only if you are actually prevented from exercising over it a right which has been properly granted to you. Otherwise it is for the liquidator of the owner of the right of way to take action if he thinks fit. You should consult a solicitor.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, AUGUST, 6, 1975

Guarding the guardians

THE FACT that it is now official policy to reduce the projected growth of public expenditure places a greater rather than a smaller responsibility on the Commons Expenditure Committee. Not only is it essential to ensure that the official policy is carried out in general terms—as, for example, the forecast of a 12 per cent. decline in capital expenditure between 1973-74 and 1974-75 seems not to have been—but the general aim can only be fulfilled if it is successfully translated into terms of individual projects.

The latest report of the Committee is concerned with the sharp rise in the financial deficit of the public sector which took place between the spring Budgets of 1974 and 1975 and with the various means which the Chancellor himself, acknowledging the seriousness of this unexpected rise, has now announced for making a recurrence less likely. The question of cash limits for wage bills in the public sector and a more widespread use of cash limits generally is one on which the Committee will be publishing a separate report. The question of getting away from the constant price basis used in recent White Papers is one on which the Government itself has yet to reach a decision and on which the Committee would like consultations to take place between itself and the Treasury before a new and less misleading basis is decided upon.

Public sector pay

There remain several matters on which the Committee has valuable recommendations to make. The first, not unrelated to the two issues already mentioned, is that the Treasury should consider the possibility of publishing public expenditure figures whenever important changes take place, or perhaps quarterly: certainly the detailed results of the present review should be published as soon as they are available. Second, it is proposed that statistics about the relative levels of pay and earnings in the public and private sectors should be collected and published regularly. This is an issue which is clearly of major importance whenever a voluntary policy of pay restraint is in force, and Treasury witnesses seem to have given somewhat discrepant evidence to the Committee about what has recently been happening: firmer information is obviously desirable.

Third—perhaps a more controversial point—the Committee thinks that the emphasis placed on capital rather than current expenditure cuts has a number of unfortunate consequences, not least on productivity in the public sector itself and on the private sector supplying industries.

State assistance

The final recommendation is one on which there should be no controversy at all—the publication of the criteria according to which the Government decides whether or not to provide assistance to industry. The reorganisation of the Treasury announced yesterday gives a particular topical significance to a point which emerged a few weeks ago from an inquiry by the Committee of Public Accounts into the provision of Government assistance to industry in special areas. Sentences from the published evidence were of the form "there is a cost per job criterion which is at present being operated at a figure of £***" . . . "there is a difference between a special development area where it runs at ** per cent., a development area, where it runs at ** per cent., and an intermediate area, where it runs at ** per cent." . . . "my understanding is that preliminary discussions have taken place at around ***," and so on. The figures were replaced by asterisks at the request of Civil Service witnesses, on the grounds that these were not "published figures." It is very much in the general interest that such figures should be published, and the Chief Secretary's readiness to consider publication is therefore as welcome as it is overdue.

The next steps on Clay Cross

THE GOVERNMENT'S defeat in the House of Commons on Monday night on the hotly contested question of the disqualification from office of the Clay Cross councillors and others who refused to apply the Conservative Housing Finance Act will please and, in a small way, reassure many people. The fact that two Labour MPs voted against the Government and 15 abstained in defence of the principle that the law as it stands must be obeyed shows that there are limits to the Government's ability to push cynical legislation through Parliament; and the circumstance that the 11 Clay Cross councillors, for whom the Goverment's amnesty was originally intended, have now been disqualified for other offences not covered by the Bill does not necessarily undermine the satisfaction that will be felt at the vindication of the principle.

Cross-bench

Nevertheless, the situation as it now stands is still uncertain and unsatisfactory in two important respects. The most immediate question is the position of the House of Lords—to which the Bill will return in October. Having voted overwhelmingly (and with much support from cross-bench and even Labour peers) for the three amendments which the Commons have just thrown out, as well as for the amendment which the Commons have now accepted, the Lords must now decide whether to persist and to carry out their opposition to the Constitutional limit. The arguments for them sticking to their guns are not to be underestimated.

The Government itself is clearly divided on the issue and the Minister responsible, Mr. Anthony Crosland, is clearly uneasy. The Parliamentary Labour Party, which voted on the subject at a meeting last week, is equally split and equally uneasy. A point of principle is involved, and if the Lords are never prepared to force the Government to employ the ultimate sanction of overriding their veto by the use of the 1911 Parliament Act, there is not much point, it may be said, in their existence at all.

On the other hand, the three amendments which remain in contention are undoubtedly subsidiary in their effect. Two relate to the method by which councils should be entitled to recoup the rents lost as a result of the councillors' defiance, and one attempts to introduce the courts into the affair. None of these suggestions involve fundamental points of principle.

From a prudential point of view the Lords must also consider whether, having gained their major point, they should now raise a constitutional storm.

Stewardship

But even supposing that the Lords now accept the situation as the Commons have left it, the permanent state of the law still has to be considered. The Clay Cross councillors were visited with sanctions first prescribed in 1933, when the circumstances of local government were very different. The 1972 Local Government Act did not see fit to alter the system, whereby individual councillors could be found at fault by the district auditor, obliged to make good losses incurred under their stewardship, and disqualified for a lengthy period if those losses exceeded a small amount. The Crosland Bill removes these sanctions in respect of the now defunct Housing Finance Act of 1972 but in all other respects they remain—as the Clay Cross councillors are now discovering to their cost.

The feeling that these sanctions are unduly harsh in an age when the sums involved are so vast and party discipline in local government is so strict has become widespread in all parties, and was, in fact, the origin of the Lords' amendment which would have given discretion to the courts to temper the punishment to the circumstance of the offence and the ability of the individual council to pay. So long as this part of the law remains unamended to take account of modern conditions there are likely to be further confrontations which are bad for local government, bad for Parliament, and bad for respect for law.

A quarter of a century on, there is still no consensus on the role of State industry. By **Colin Jones**

Stemming the £7.7bn. drain on the public purse

IT is now well over a quarter of a century since Britain's major nationalised industries were established. In that period the Exchequer has had to come to their rescue to the tune of £7.7bn. The detailed figures for each industry were provided by Mr. Joel Barnett, Chief Secretary to the Treasury, in a parliamentary answer last week. Up to the end of last March, more than £4bn. had had to be provided in revenue subsidies and other compensation payments, while more than £3½bn. of capital debt and accumulated revenue deficits had had to be written off.

It is, of course, true that only part of these huge losses can be properly attributed to the mistaken investment decisions and other inefficiencies of the industries themselves. A sizeable part will have been caused by price restraint and by other kinds of ministerial interference (the history of which stretches back to their earliest days). Part—though by now a relatively minor part—will also have stemmed from the run-down condition of some of the businesses the industries inherited. The trouble is not so much that the blame has to be shared as the fact that, because of the way the industries are at present constituted and run, no one is in a position to be able to say just how the blame ought to be shared out.

WHAT THE NATIONALISED INDUSTRIES HAVE COST THE TAXPAYER

(up to March 31, 1975)

INDUSTRY	REVENUE SUBSIDIES (£m.)	WRITE-OFFS (£m.)	TOTAL (£m.)
National Coal Board	515.9	864.6	1,380.5
Electricity Council & Boards:			
England & Wales	571.8	—	571.8
Scotland	50.2	—	50.2
Gas	120.6	—	120.6
Steel	—	131.5	131.5
Post Office	440.2	177.4	617.6
British Airways	48.0	122.0	170.0
British Airports Authority	4.2	—	4.2
British Transport Commission	259.7	487.4	747.1
British Rail	2,010.5	1,451.1	3,461.6
London Transport	41.2	269.8	311.0
British Transport Docks Board	—	—	—
British Waterways Board	33.7	15.5	49.2
National Freight Corporation	42.7	—	42.7
National Bus Company	36.7	—	36.7
Scottish Transport Group	10.9	—	10.9
TOTAL	4,186.3	3,519.3	7,705.4

Fast-rising costs

The same point applies to the record losses which four of the major industries have reported in the last fortnight. Between them, the electricity supply industry in England and Wales, the Gas Corporation, the Post Office, and British Rail ran up a combined deficit of over £760m. in their last financial years. Including the sums needed to make up British Rail's cash flow shortfall, they received almost £1bn. in Exchequer revenue support. No doubt a substantial part of these amounts can be directly attributed to price restraint. But it is also clear, as the Price Commission has recently pointed out, that nationalised industry costs have been rising far faster than those of the private sector. Judging from scrappy and admittedly inadequate evidence, this is not only because wage settlements in the nationalised sector have been running at a substantially higher rate than in private industry. Other factors have also been at work.

Indeed, it would be remarkable if this were not so. A prolonged period of loss-making by industries that are insulated from the ultimate commercial sanctions of going bankrupt and of being taken over is bound to lead to some weakening in financial discipline, however hard the senior managements of these industries strive to prevent this happening. Even if the managerial and administrative inefficiencies are kept to a minimum, a prolonged period of under-pricing will inflate demand and result in some resource misallocation. These consequences will be compounded if, as is now happening, a lengthy period of artificial price restraint is followed by an attempt to return rapidly to commercial pricing, with its "whiplash" effect on the forward planning of capacity and new investment.

This is not to decry Mr. Denis Healey's insistence on the early restoration of commercial pricing. With luck, he might achieve his aim of phasing out all revenue support—other than for British Rail, which is now in a class of its own—by the end of the present financial year. One cannot yet count on this. Nearly all the major industries are coming up against increasing price resistance; they are all to one degree or another vulnerable to the economic cycle; and their hopes of breaking out of the red are all critically dependent on the £6 limit holding and on the absence of major strikes. But whether they achieve the Chancellor's target by next spring or some time later, is perhaps less important than deciding the kind of financial and commercial regime they should operate under when they do.

One obvious possibility would be a return to the system of financial objectives, including target rates of return, which were being developed with some success in the 1960s. At first the nationalised industries were set an objective expressed as a specific average rate of return on assets over a period of five years or so. But this was too simple: return on capital is merely the residual of an industry's investment and pricing policies.

The 1967 White Paper on the Nationalised Industries' Economic and Financial Objectives therefore required the industries to appraise major investment projects using discounted cash flow techniques with a common discount rate and to charge prices that tended towards long-run marginal costs, save at times of excess capacity when prices were to be based on short-run marginal costs and at times of excess demand when prices ought to be raised as a form of rationing. The idea of target rates of return was not abandoned. This was a decision which perhaps could be justified on the "belt and braces" principle, particularly if (as was rarely done) the assets were revalued in line with the present value of each industry's stream of potential earnings.

It would not be enough, however, to return to some up-dated version of this system. In the first place, the regime outlined in the 1967 White Paper would need to be underpinned by some clear definition of each industry's corporate objectives, which would need to be regularly up-dated. One can hunt the original nationalisation statutes in vain for such a statement yet, without clear objectives, investment decisions can be taken only in a policy vacuum. In particular, as the Commons Select Committee on the Nationalised Industries argued in its report on Ministerial Control in 1968, there would need to be a careful definition of any non-commercial or social, obligations, and a clear statement made on how—and by whom—they were to be paid for.

Second, consideration sooner or later will have to be given to the devising of some system of checks and balances which goes at least part way to providing in the nationalised sector the kind of commercial and financial disciplines that operate over most of the private sector.

Third, and most crucially, any attempt to return to the 1967 guidelines would be a worthless gesture if Ministers on each side of the political divide were to go on practising the kind of interference that they, and their predecessors, have been wont.

It is here that we come to what is probably the root of the problem. Despite the attempt made during the 1960s to set a more commercial orientation, there has never been a commonly accepted view of the purposes of nationalisation and of the role that an industry, once it has been taken over by the State, should play. This may have been understandable in the early days when the movement for nationalisation was more a movement against the profit motive and the market economy system than a positive desire for any particular alternative. It is indefensible some 25 to 30 years later when the nationalised sector is so substantial—and is about to be substantially extended.

Confusion over the precise role the nationalised industries are expected to play will almost certainly remain so long as they are constituted as public corporations. Herbert Morrison saw the public corporation as a way of combining a necessary degree of freedom for management with a measure of public accountability through Ministers to Parliament. But a quarter of a century's experience of the post-1945 public corporation has shown that these are irreconcilable concepts.

The public corporation, as a new constitutional form, may have worked in the 1920s and 1930s but only because Ministers and Parliament then exercised a degree of self-restraint which their successors have never demonstrated. Since 1945 Ministerial intervention has increased many times over, and its intensity has varied with different administrations, departments, and individual Ministers, with Whitehall's confidence (or lack thereof) in an industry's top management, and with the political fashion of the day. What is particularly pernicious is that so much is done informally, which means that it can often be hard to identify particular Ministerial actions, it is often impossible for Parliament to question them, and the nationalised Boards will often be saddled with the responsibility for actions which really originated elsewhere.

Political football

One answer would be, of course, to denationalise the lot. But as a matter of practical politics let alone immediate commercial possibility, this is obviously out of the question. A Conservative denationalisation programme would be reversed as soon as the Labour Party next won power, and the last thing these industries need is to be turned into a political football.

It would be desirable, therefore to try to sustain a wide measure of bipartisan—or at least middle ground—support for whatever was done. The policy embodied in the 1967 guidelines did win bipartisan support and the restoration of these would be a start—but only a start. The next step—of replacing public corporation status with something else—would be trickier. But the "BP solution" for the BSC which Lord Melchett tried to secure in 1970 did seem to offer a chance of developing the 1967 policy in a direction which had considerable merit in itself and was at the same time something which both major political parties could accept (and might have done then if the Conservatives had not been distracted by other ideas).

The "BP solution" for steel was put forward in an attempt to end the political argument over the industry's future. But its real merit lay in the idea of substituting the company form for public corporation status. The concept of a public company has, after all, been evolving for over 100 years, and is still being developed, whereas the public corporation is a relatively recent innovation whose fitness for purpose has been found somewhat wanting. In the holding company in particular, we have a form that could offer the managements of the State-owned industries a better insulation against the pressures of Ministerial intervention.

This would not happen automatically. It would be necessary to build in some checks and balances. In the first place, the requirements which sponsoring Ministers now lay down informally would have to be embodied in some kind of formalised agreement. Here "planning agreements" might have a role to play. These agreements could incorporate the industry's corporate objectives, specify the non-commercial activities which it was required to undertake, and make clear how—and by whom—the cost of these activities would be paid. It would be useful if these "social obligation" payments were charged to the vote of the relevant Whitehall department (the cost of rural electricity supplies being debited, for example, to the Minister of Agriculture) and if, furthermore, the case for the social obligations themselves were assessed on the basis of common criteria (cost-benefit?) by, say, the Treasury.

Additional advantage

This could be done without abandoning public corporation status. But the public holding company has the additional advantage of making it possible for the operating subsidiaries in a State-controlled industry to raise part of their capital requirements directly from the market in the form of, say, convertible loan stock and eventually perhaps of equity, providing always that majority control was retained. There is no reason why this could not be done by the profitable parts of, say, the electricity, gas, or steel industries or of the National Freight Corporation. It is done in Italy and elsewhere. A modest, piecemeal move in this direction here would be unlikely to raise the technical problems of market management which arose before 1956 when all the nationalised industries raised all their capital in the form of fixed-interest loans from the market. The presence of minority interests below (but never at) parent company level might cause difficulties at times of internal reorganisation. But in the meantime these interests would inject a useful financial discipline and serve to moderate the impact of Ministerial pressures.

The objective would be the "creeping de-politicisation" of these industries—and eventually perhaps, if one likes, creeping denationalisation. Either way, it would be better than the present kind of unformalised and undeclared WedgeBennery for which no one can find anything good to say.

MEN AND MATTERS

Lord's way

"I want to keep direct contact. I don't intend to be cut off from industry and the City. If people may have sometimes thought the Treasury was secluded in the past, it is now consistent policy to have closer contact with industry." Thus Alan Lord, who takes charge of the Treasury's new creation, a Domestic Economy unit to handle industrial policies, nationalised and private, regional policy and agriculture, plus the monetary, taxation and counter-inflation divisions.

The message, then, for industry, should be a reassuring one to those who believe that, granted intervention, you may as well get it direct from the Treasury where it is more likely to be based on economic good sense than if filtered and interpreted by other arms of Whitehall. We shall see. But Lord certainly has had exposure to industry: at the Inland Revenue (this career has mainly been there) he was responsible for the Corporation Tax Green Paper and legislation of 1971-72, and at the Department of Industry where he has been for two years, there has been the Industry Bill with its White Paper.

Lord's remark that "It didn't matter what you got your First in then"—to explain how he read English literature and then social anthropology at Cambridge—might sound a piece of pure Treasury mandarin talk. But his reputation is otherwise, and he is reversing a trend by being recalled to the Treasury to do a key job. Where he does fit in with what the Chancellor's staff like to think is their tradition is in his brilliance: he was Whitehall's youngest deputy secretary in his time, and at 46 he is now the youngest senior official on the Treasury team, though the head of it all, Sir Douglas Wass, is similarly precocious at 52.

"They seem to manage these things better in India!"

Nicolson adding

British Airways and Rothmans International have something else in common beside the advertisers' suggestion that the pilots of one smoke the fags of the other. They both go in for part-time chairmen, Sir David Nicolson at BA and Lord Pritchard at Rothmans. They are harder working non-executive chairmen than most, but they also hold multiple directorships elsewhere. Now Nicolson is to take over Pritchard's job when Pritchard retires as chairman at 65 next month.

His going to Rothmans will strengthen the impression that Nicolson, abroad yesterday, may not push for an extension of his BA contract when his initial five-year stint finishes in October next year.

Why Nicolson is thought to be ready to leave the BA chair is a mixture of his personal inclination for problem-solving rather than administration—he made his name as a P-E Consulting Group company doctor, and at British Airways he has seen through the main problem he was set, the amalgamation of BOAC and BEA. Also, the rewards of nationalised industry may now seem small to someone who has gained international cachet as well as a knighthood from the job. He gets £15,400 as part-time chairman of our airline (he is the only part-timer to run a major nationalised industry though it happens that BA's expected £10m. loss in the year to March on revenues of around £750m. is a better record than the ones run by full-timers).

Whether, whenever the job comes up again, British Airways will be left with this idiosyncrasy is intriguing. It was a BOAC tradition to have part-timers (Sir Gerard D'Erlanger, Sir Giles Guthrie, Sir Charles Hardie) while BEA went for executive heads (Lord Douglas of Kirtleside, Sir Anthony Milward, Henry Marking). Now as deputy chairman and managing director of BA, Marking would be the logical choice for a full-time chairman.

Nicholson out?

Removing a director from executive office can be virtually a formality. But removing him from the Board may be a different matter, as the majority of the directors of James Halstead (Holdings) is currently finding out. The man that Halstead is trying to dislodge is Desmond Nicholson, the former chairman and managing director, who in the seven years he was with the Manchester-based plastic floor tiling and waterproof clothing manufacturer, saw profits fluctuate somewhat erratically from a near £200,000 loss to a peak profit of £719,000 in the year to June 30, 1973, before yet another fall in 1973-74 to £438,500.

The precise reasons for the row which has blown up at the company are unclear, but a great deal of acrimony has undoubtedly set in. In a prepared statement, A. B. Morrall, Halstead's managing director, spoke of the Board having felt "compelled to remove Mr. Nicholson from office as chairman and managing director in what they considered to be in the best interests of the company." He was voted out of office in April.

Nicholson has countered strongly, by bringing proceedings before an industrial tribunal alleging unfair dismissal and has also put forward a claim for damages. Both claims are being resisted by Halstead.

But to remove Nicholson finally, special notice is required from a shareholder. That, says Halstead, had been received by way of a resolution from "a shareholder" to remove Nicholson at an extraordinary meeting, the date of which has now been set at September. The shareholder has now emerged as Geoffrey Halstead, a director of the company.

Meanwhile, life at Halstead's Boardroom has clearly had its tense moments. Since the April re-shuffle there have been a number of Board meetings, "some of which he (Nicholson) has attended, some not."

Reconsidered

Someone has been having second thoughts at publisher Dent's Jossey-Bass books department. Its list of recent titles includes *Four Stages of Life*, "previously announced as *Prelude to Change*"; *Behind the Front Page*, previously *Conditions for Effective Newspaper Organisation and Credibility*; and *Misunderstandings of the Self*, previously *Psychotherapy and the Misconception Hypothesis*.

Observer

هكذا من الاصل

High hopes are held for the success of the Scottish Development Agency—if it has the muscle to make an impact. Chris Baur reports.

Taking Scotland off the U.K. conscience

JUDGING BY THE advance billing it has enjoyed, with growing intensity since the concept was first embraced by Labour in Scotland more than three years ago, one might be forgiven for imagining that the Scottish Development Agency was even now distributing its largesse to industry, constructing factories, buying companies, launching State enterprises, planting trees where coal-tips stood, and in multitudinous other ways going about its earnest task of building a new Jerusalem north of the border.

In fact, the legislation to create the SDA, has just cleared its Committee Stage in the House of Commons, and the body is not likely to be operational much before the end of the year. In the meantime, however, the name and the promise of the Agency has irretrievably entered the Scottish political vocabulary. It has become a kind of dustbin for most of Scotland's unfulfilled economic ambitions and much of its bungled political business. Everything, from the relocation of a hugely-expanded steel industry on the Clyde coast. to the revitalising of Glasgow's tired corporation housing "ghettos" is being trundled out to the kerbside for urgent collection by the Agency.

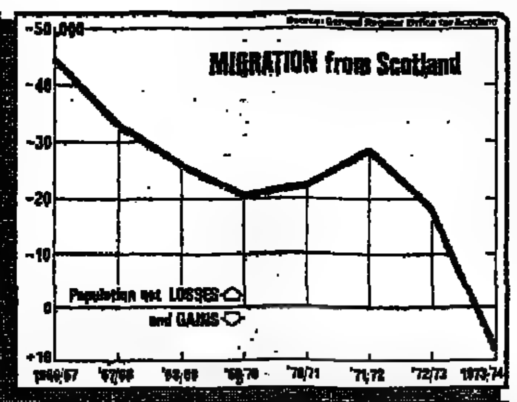
Budget

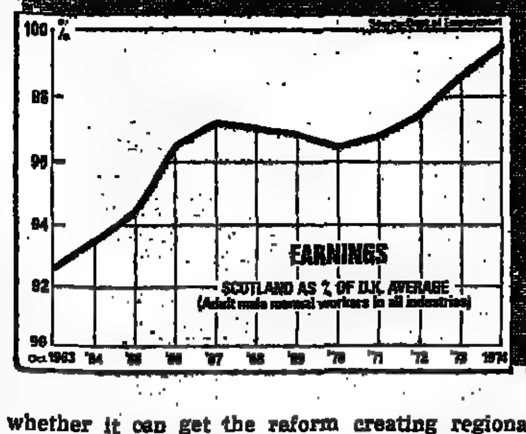
This is understandable. The SDA, equipped with interventionist powers similar to those of the National Enterprise Board, and a budget of up to £300m. over five years, is the biggest down-payment Labour has yet made towards retrieving the long-term mortgage on its vital Scottish vote. With the Scottish National Party challenging Labour in some three dozen of its 41 Scottish seats, it is probably not an exaggeration to suggest that the Agency is seen by the Government as the main instrument with which to keep Scotland from dismembering the U.K.

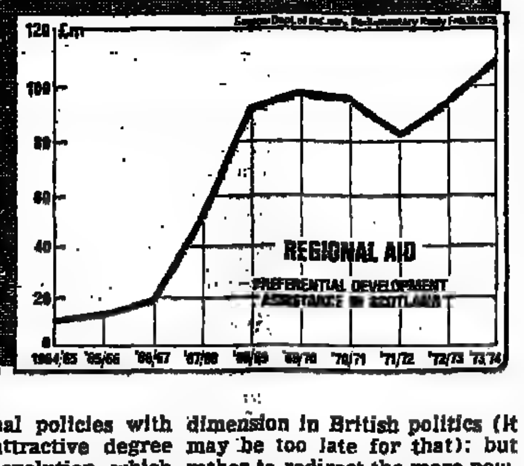
This may sound surprising to those who have assumed that it is really the controversial Scottish Assembly with which the Government means to snooker the SNP for good. The trouble is that there can be no immediate or even long-term guarantee that the Scottish Assembly will not deepen the very divisions between Scotland and Westminster which it is designed to prevent.

Even if the Government, as is currently rumoured, shoulders aside the more querulous "minimalists" who have dominated the devolution debate within the Scottish Labour Party, and grants the Assembly a significant degree of "home rule" over domestic functions with some industrial and fiscal power, can anyone doubt how those functions will be used and presented by a large (perhaps even a majority) SNP contingent in the Assembly?

Moreover, in an Assembly encountering the first devastating difficulties of having to define its own expenditure priorities within Westminster's block grant, is it not likely that every failure will make the slurping of unallocated "Scottish oil" revenues beckon more compellingly towards a final break with the U.K.? But this assumes a successful outcome to Westminster's devolution debate next year. Even that cannot be guaranteed, for whatever package the Government produces in its promised October White Paper, it has absolutely no way of knowing whether it can get the reform through the House of Commons.







By the same token, there is equally no certainty that the Scottish Development Agency will have the authority, the time or the resources to strengthen the corroding weld at Hadrian's Wall. What can be said for it, however, is that as an advance on Westminster's conventional post-war methods for tackling the root economic causes of Scottish dissidence, it enjoys a wide measure of acceptance in Scotland, which will make its talks at the outset somewhat easier.

Under the direction of Mr. William Ross, the Scottish Secretary, it combines the Government's traditional job-creating regional policies with a potentially attractive degree of economic devolution which is, in fact, long overdue. With accompanying reforms, the Scottish Office has just become responsible for the administration of selective regional aid to industry and such matters as Government factory building—it is now no longer necessary for the Scottish Secretary to maintain the historic pretence that he is Scotland's Minister for Industry as well as Minister for everything else.

The creation of the SDA represents, in other words, an assumption by Government that probably the only way to hold the Nationalists now is not to attempt to wreck the Scottish dimension in British politics (it may be too late for that): but rather to redirect the more powerful forces which so far have been harnessed only by the SNP, and demonstrate that they can still be fulfilled by and represented through the agencies of Westminster. The Scottish Assembly cannot possibly do that (quite the reverse): but, with a little luck, the Government hopes that the SDA might.

There are two difficulties. The first is that, even before the Agency goes into operation, its accountability has become a political football. The SNP and the supporters of maximum devolution in other parties are anxious that the SDA should be severed from Westminster and made an arm of the Scottish Assembly. The Government might countenance some consultative role for the Assembly. But in the first instance it is almost bound to keep the body answerable to Westminster—at any rate while it lacks further evidence from the polls that the SNP can no longer be controlled.

Pressure

The second, and more profound, difficulty concerns the local economy. The SDA will be starting its talks this winter at a psychologically bleak time for Labour. Already some of the direst predictions about year-end unemployment have been overtaken with the July total of almost 130,000—or 6 per cent. Unprecedented post-war winter unemployment of up to 200,000 is now expected in some quarters.

There is no way in which the Agency can prevent or even mitigate this. Yet it will be under great pressure to try and it is possible that this may intensify a latent sense of dissatisfaction with its budget. Only about half of its average £60m. a year will, in fact, represent new resources.

In spite of these complications, however, there are some encouraging trends which, in happier times, might have been of decisive assistance to the SDA. Scotland's share of British unemployment has steadily fallen in recent years and is now well below the 1960s proportion of twice the British average. The measure of insulation afforded by North Sea oil work (which has created some 27,000 jobs directly and another 13,000 indirectly) has also been accompanied by a reversal of Scotland's emigration loss for the first time since the war, and by a gradual closing of the gap between Scottish and the average British industrial wage rates.

These advances have been backed by specific political gestures: the decision to locate the headquarters of the British National Oil Corporation and the Department of Energy's offshore supplies office in Glasgow, and to transfer some 7,000 Defence Department jobs there from London; the doubling to £80m. a year in the rate of regional employment premium; the decision to make the SDA's first major task the spending of over £100m. to create, in the long-term, some 16,000 new jobs in an industrial regeneration scheme at Cambuslang, near Glasgow—the area which will take the brunt of the 4,500 job-losses predicted in the steel industry.

These trends go a small way towards blunting the excesses of Nationalist assertions that Scotland remains a neglected nation. They have also narrowed the scene of Scotland's greatest foreboding to one region alone—Clydeside. Here, an unemployment rate of more than 7 per cent. (approaching one in ten for men), a self-perpetuating series of managerial and labour relations problems, an impoverished record of business renewal, a scale of urban deprivation unmatched by other British cities and employment losses anticipated at well over 55,000 by 1981, all combine to make West Central Scotland the SDA's priority region.

On Clydeside, however, if nowhere else in Scotland, the need for measured, long-term therapy by the SDA conflicts sharply with the clamour for glittering short-term palliatives. Here, the SDA will be confronted with the same type of pressure, multiplied, that faced the Highlands and Islands Development Board when it was created almost ten years ago to bring the crofting counties within the orbit of the industrial revolution.

The HIDB has been the natural forerunner of the SDA: and the Agency could do worse than learn from some of the Board's own lessons. In retrospect, one of the principal of these is that while the Highland Board also needed its prestige project to establish its credibility (in its case the £30m. Invergordon smelter), it has been the aggregate of countless small initiatives throughout the region which has most helped to lift the level of economic activity there, even before the advent of North Sea oil.

Investment

In the years since 1965, the Board has invested through grants and loans nearly £22m. and has attracted an additional £28m. of private investment in more than 3,000 projects. It has not wrought a Socialist revolution, but it has created 10,300 new jobs, earns £4.5m in repayment and interest, and has taken equity in 14 enterprises.

The parallels between the two ventures are close. The Highland Board was established, in effect, to take the neglected Highlands off the conscience of Scotland. Now, ten years later, the same Minister, Mr. William Ross, is creating the Scottish Development Agency to take Scotland off the conscience of the U.K. The one lingering doubt is whether the SDA will be given sufficient time and muscle to make the political impact that is so clearly expected of it.

Letters to the Editor

Cost of safety at work

From Professor P. Cartwright.

Sir,—Earlier this year you published a letter from me on the possibilities of factory closures resulting from the application of the Health and Safety at Work etc. Act, 1974. Little did I realise that the first example of such a situation about which I should read would occur within a few miles of my office. To quote from the local press of July 31 concerning the closure of a woollen manufacturers "A contributory factor was the Factory Inspectorate's insistence on the full height side-guarding of the carding machines, which although providing improved safety would have involved the company in 'crippling expense for which there would be no monetary return'."

It is more than two years since I commented upon the necessity for "a cost effective approach to the whole subject, that is, industrial health and safety. No doubt, if companies had taken action in 1972-73 as a result of the Robens Committee recommendations and in anticipation of the new Act they would have been in a financial position (and with much lower installation charges) to meet the safety standards that are now required. Unfortunately we cannot go back in time to rectify such errors of strategy.

The problem now is how many other small companies are going to be placed in the position where health and safety will price them out of business? With current inflation and existing high unemployment it would appear that one possible way of stemming an impending flow of such closures would be a system of Government "Grants in Aid" to companies so that they can meet the requirements of the Act. Certainly the principle and practices of the Health and Safety at Work etc. Act must not be placed in jeopardy, nor must the health and safety of our working population continue to be placed in "at risk" situations for the want of financial support.

As a senior official of one public body commented to me recently—it is a matter of priorities, surely economic survival is the most important aspect of the immediate situation; health, safety and welfare will have to come later! But sooner or later the nation is going to have to bear the cost insofar as health and safety at work are concerned.

P. A. Cartwright.
University of Bradford,
Bradford,
West Yorkshire.

Convenience ships

From Mr. R. Stott.

Sir,—As I considered the letter (July 31) from chairman R. A. Huskisson of Lloyd's Register, universally respected for its integrity and technical competence, two points occurred to me.

First, there can be, as he said, "many causes of ship casualties," but if it is correct, as Mr. Laughton of the International Transport Workers Federation claimed (July 30), I believe rightly, that the vast majority of "convenience" ship casualties are not impartially and competently investigated, or even investigated at all, how can causes be established? How can anyone know whether "convenience" ships, many of which, for instance, have disappeared without trace, have not been under-manned or overloaded or sustained critical structural failure? Was an inquiry ever held into the disappearance of the Liberian bulk carrier Geranium in the Pacific last December?

The second point is this: if serious "convenience" ship casualties, possibly involving heavy loss of life, are not thoroughly probed and the causes established how can dependants of seafarers know whether they have a legitimate claim against shipowners for, say, negligence, or sending ships to sea in an unsafe or unseaworthy state?

Mr. Huskisson may be right in stating that Mr. Laughton was "a little hard on the Liberian authorities" in criticising the report on the Seagull. On the other hand, maybe, Mr. Laughton detected oddities that Mr. Huskisson did not. Example? On page 2 it is stated that the Seagull, which foundered in February, 1974, was in drydock for Special Survey in May, 1972, but in Annex 1(A) that she was last in drydock in November, 1970.

R. Stott.
34, Parkway,
Raynes Park, S.W.20.

Honours degrees

From Mr. M. Lord.

Sir,—I noted with interest Professor Chisholm's remarks (July 30) regarding the varying standards of awards between Technical Institutions.

In the early 1960s I was a member of a group of 53 who started on a four-year sandwich course at the Royal College of Advanced Technology, Salford, studying for a diploma in technology: at the end of the four years there were only two people awarded First Class honours. This in itself means little, but the country average that year was, I believe, around 30 per cent.

Professor Chisholm is right in what he says, it is not a reflection upon the teaching standards but is indicative of the academic standard set by that institution.

M. J. Lord.
43, Beech View Road,
Kingsley, Cheshire.

Megalomania at the Town Hall

From Mr. J. Rawles.

Sir,—A few years ago when senior town hall staff were known as town clerk, borough treasurer, etc., the rates were reasonably stable.

Since the great title cult has hit local government with new status titles of chief executive, chief financial director, director of education services, and so on and so forth, the affliction of megalomania has struck, in all its ferocity, with attendant grandiose schemes and empire building leading to the phenomena of excessive rates.

Perhaps if the old names were brought in, as an innovation, of course, like putting salt bags back in crisps, the old type of book-balancing and prudent Micawberism might also be re-established.

J. Rawles.
52, Oakleigh Road South, N.11.

The bank card limit

From the Managing Director, Industrial Market Research.

Sir,—C. Gordon Tether's usual attack on current orthodoxies reveals all too clearly the double thinking in so many of our institutions, not the least banking. The saga of the banks' refusal to increase the bank card £30 limit makes nonsense of their much vaunted claim to have adopted the marketing concept and to being customer oriented. No amount of fast check outs at counters, special schemes for students and even the dropping of bank charges when faced with an embarrassment of profit, can disguise the arrogance of the banking community in relation to corporate and private customers.

Perhaps if they went back to the fundamentals of marketing and not the cosmetics they would recall that marketing is concerned with satisfying human and corporate needs. Selling concentrates on the needs of the seller, marketing on the needs of the buyers. Against both these tests the banking fraternity can be seen to have failed miserably and totally both to understand what marketing is about, and to practise it. Bank marketing was always a somewhat nebulous activity, now it is verging on the ridiculous.

Mr. Tether is to be congratulated in drawing attention to this new piece of anti-marketing or perhaps anti-customer policy. Is it not time that the vocal consumer movement started protesting and making its needs felt and would it not be an excellent idea for the business community to also speak with one voice. The threat of bank nationalisation looks positively attractive when compared with the high-handed way with which banks deal with their customers now.

Aubrey Wilson.
17, Buckingham Gate, S.W.1.

Burmah's BP shares

From Mr. E. Adcock

Sir,—With regard to the study the London merchant bankers are making for the public sale of Burmah's B.P. shares I trust that consideration will be given to all Burmah's shareholders, many of whom are long suffering widows and pensioners, so that they may be given preferential treatment to acquire the BP shares, pro rata to their holdings of Burmah shares, at a price mid-way between the Bank of England's purchase price and the price at which BP shares are to be offered to the public.

This is the least the Government should do to compensate Burmah's shareholders for depriving them of their right to be consulted before Burmah disposed of its BP shares.

E. P. Adcock,
10, Wheatfield Road,
Harpenden,
Herts.

Bindweed unknown

From Mr. V. Ellis.

Sir,—Much as I dote on Robin Lane Fox by word and deed—I once recall rushing to his defence in our mutual dislike of Super Star Rose through the courtesy of your letter column—I must reluctantly take issue with him on the matter of strawberries (July 30).

Having experimented for two years by planting the species Grandee and Royal Sovereign side by side, I have come to the conclusion that in these, as in other matters, size isn't everything!

As for flavour, has Mr. Fox ever tried that old favourite, Talisman, with which I have just been awarded a prize (admittedly third) at our local Porlock Flower Show?

I sympathise with Mr. Fox's bad luck with his raspberries. I mulch my Lloyd Georges (First Prize) once a year. I have never heard of bindweed. Is it some novel form of compost?

Vivian Ellis,
Holnkote,
Nr. Minehead, Somerset.

Falling into the time line

From Mr. A. Lamb.

Sir,—In this age of metrication, decimalisation and falling into line with other countries, why has the 24 hour clock been ignored? It seems to apply only to public transport: would it not be a good idea if TV and wireless networks were to use it? Giving the 24-hour clock time and then giving the 12-hour clock time? I do not like the 24-hour clock, but if it's got to be used let's get on with it!

Adrian T. Lamb.
44, Portland Road,
Stoneygate, Leicester.

Buy at best

From Mr. C. B. Davis.

Sir,—We all take note of Mr. Peter Shore's advice to "Buy British" but like all statements it cannot be so easily defined. What he does not tell us is the enormous quantity of components which are purchased here by both the German and Swedish motor industry.

Acting as a principal forwarding agent for the Volkswagen company, we send containers every week full of British components to the German car plants, off-setting some of our import bill and keeping British workers employed.

By all means "Buy British," but if this is not possible or practical, let us first of all support those that buy from us.

C. B. Davis.
Fairlead Forwarding Company.
2A, Towcester Road,
Empson Street, E.3.

Finance steel stocks

From: Mr. A. Proctor.

Sir,—British Steel Corporation has announced that out of a total product capacity of 26m. tons it will only manage to sell some 17m. tons, resulting in furnace closures and subsequent unemployment.

Surely it would be a much better idea for the Government, instead of paying unemployment pay to redundant workers, to finance steel stock to cover the 9m. tons shortfall? As I understand it, with modern corrosion prevention measures it is possible to store steel for considerable periods. When the economy eventually is on the up-turn, instead of the past performance of not being able to fulfil contracts for lack of steel, we should have a stockpile which would enable us to take advantage of the situation.

A. E. Proctor.
Bentinck House, Bentinck Road,
West Drayton, Middlesex.

Policing the £6 limit

From Mr. E. Harley.

Sir,—Why not insert a clause in the Reserve Powers Bill that any householder who permits a burglary in his house—thereby giving to burglars an unwarranted increase in pay—is liable to prosecution?

E. R. Harley.
Vivian, Off St. Pius V Street,
Marsaxlokk, Malta.

To-day's Events

GENERAL

Government expected to state its reaction to BSC plans for phasing out open-hearth steel-making in Scotland.

National Economic Development Council meets.

Mr. Takeo Miki, Japanese Prime Minister, ends two-day talks with President Ford, Washington.

Mr. Shintaro Abe, Japanese Agriculture and Forestry Minister, continues visit to Moscow.

CBI employment policy committee meets.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Court Line, followed by debate on textile, clothing and footwear industries.

House of Lords: Industry Bill, report stage and third reading. Social Security Pensions Bill, consideration of Commons message.

COMPANY RESULTS

Glynwed (half-year).
York Trailer (half-year).

COMPANY MEETINGS

Brown and Tawse, Dundee, 12.
Halma, the Dorchester, W., 12.
Ingersoll, 202, New North Road, N., 11.30.
Renold, Manchester, 2.30.
Turriff Construction, Warwick, 12.

OPERA

English National Opera production of Carmen, conductor Noel Davies, Coliseum Theatre, London, 7 p.m.

BALLET

New London Ballet, with Galina Samsova, in Pythoness Ascendant, and Vespri, Sadler's Wells Theatre, London, 7.30 p.m.

MUSIC

Henry Wood Promenade Concerts: BBC Symphony Orchestra, conductor Sir Charles Groves, Thomas Igloi cello, play Dvorak's symphonic variations, Arnold Cooke's cello concerto, and Beethoven's symphony No. 7 in A major, Royal Albert Hall, London, 7.30 p.m.

SPORT

Yachting: Cowes Week, Britannia Cup, part of Admiral's Cup series.

Show jumping: International Horse Show continues, Dublin.

Golf: Britain v. Europe youth international, Pannal, Colgate European women's open championship, Sunningdale.

COMPANY NEWS + COMMENT

Hogg Robinson up 28%: scrip issue

"THE MATERIAL increase in profit forecast by Hogg Robinson Group turns out to be 28 per cent. —from £3.6m. to £4.68m. for the year to March 31, 1975, after £1.45m., against £0.71m., for the first half.

Stated earnings per 25p share advanced from 11.92p to 15.07p. A final dividend of 1.69p raises the net total from 3.661p to 4.035p, and a one-for-four scrip issue is proposed.

The chairman, Mr. Perkins, *reports that income from insurance broking at home and overseas* increased by 25 per cent.: income from underwriting commission and fees was slightly down. Shipping, forwarding and travel showed a turnround from a loss to a profit of £226,000.

Profits, before tax, have risen in two years from £2.32m. During this period profits from U.K. operations rose by 104 per cent., and from overseas operations by 97 per cent.

The year's profit is subject to extraordinary debits of £458,000 including new pension benefits for former employees and their dependants £125,000; loss on disposal of subsidiaries £166,000; and writing down to market value of certain quoted investments £123,000.

	1974-75 £000	1973-74 £000
U.K. insurance broking	7,953	6,340
Overseas	2,955	2,394
Underwriting etc	1,045	1,254
Invest. income etc	1,410	1,029
Total	13,363	11,007
Expenses	9,126	7,307
Balance	4,237	3,700
Shipping etc profit	226	*188
Share associates	229	131
Profit before tax	4,631	3,643
Tax	2,129	1,644
Minority	191	147
Extraordinary debits	458	†467
Available	1,915	2,329
Dividend	††498	574
Retained	1,418	1,743

* Loss. † Credits. †† 181,428 shares issued in lieu of interim, saving £139,000 in cash distribution.

● **comment**

Hogg Robinson is 28 per cent. ahead pre-tax. Over a third of the upturn stems from a return to profits in travel and the rest reflects the strong growth—25 per cent. both at home and overseas—in brokerage. The underwriting side has disappointed with a fall from 11½ per cent. to not quite 8 per cent. of total income, and this year the returns from Lloyds are going to deteriorate further. At the same time investment *income is clearly not going to* prove so strong in 1975-76. Thus Hogg's broking operations will need to run that much faster to keep the group moving forward this year. Meantime, the yield at 122p is 5 per cent. and roughly in line with the average for the sector.

Statement, Page 16

INDEX TO COMPANY HIGHLIGHTS

Phillips Patents not optimistic

"FROM WHAT we have already seen of the present year, it is not difficult to forecast an even harder time ahead," says Mr. J. Rowland-Jones, chairman of Phillips Patents (Holdings).

Steps taken to improve profitability, though successful, have been dissipated by general trading conditions, but "I suppose we can take consolation from the fact that we are still standing on our own feet," *he tells members.*

At Kenilworth Components (which supplies the shoe industry) the order position has improved and the rate of trading loss has been reduced, but the company has not yet regained its position of making a profit.

On the development side the directors are not proceeding with the programme until the housing market returns to a more normal position. The auditors cannot assess whether the £291,700 provision *for reduction in development land is adequate or* excessive.

Taking the provision into account the group incurred a loss of £160,673 for the year ended March 31, 1975, against a profit of £147,191, and the dividend is held at 1p net, as reported on July 24.

Explaining the dividend decision, Mr. Rowland-Jones says "shareholders have to live" but the company wishes to retain as much cash as possible. So three directors—himself, Mr. N. Peake and Mr. T. Porter—have waived their entitlement on 2.09m. shares, a saving of £20,917.

At March 31, 1975, the move- ment in net liquid funds shows an increase of £185,400 (£268,300) in bank overdrafts.

Meeting, Manchester, August 28 *at noon.*

Acquisition boosts Unitech

THE IMPROVEMENT in pre-tax profits for the year to May 31, 1975 foreseen by the directors of Unitech at midway—when an advance from £502,000 to £800,000 was reported—turns out to be from £1.31m. to £1.56m.

Of the £259,000 increase, £187,000 was attributed to the consolidation of the 85 per cent. interest in Appliance Components, purchased during the year. Sales of ACL which amounted to £976,000 were also included for the first time.

Earnings per 10p share are shown to have risen from 9.0p to 10p and the dividend is lifted from 5.718p to 6.078p net with a final payment of 3.731p.

	1974-75 £	1973-74 £
Sales	[illegible]	[illegible]
Pre-tax profit	1,565,400	1,305,700
Tax	837,900	671,900
Minorities	12,200	20,200
Interest on acquisition	40,000	—
Undistributed profit	234,300	244,700

● **comment**

The consolidation of Unitech's interest in ACL has accounted for nearly threequarters of the group's 20 per cent. increase in pre-tax profits and the outlook for the current year is for another marginal improvement. Profits in electronic component marketing, about 44 per cent. of the total in 1973-74, have fallen in both rela*tive and absolute terms, although* this also includes start-up losses in France and a much reduced German contribution. Price cutting in semi-conductors will affect only 25 per cent. of the one half of marketing activity concerned with distribution, and, with an improvement overseas, an overall advance is anticipated for the year. On the manufacturing front, Dutch and German contracts for colour TV backs are taking up the slack in the U.K. and the group sees room for further growth in control and power supply equipment. Net borrowings have remained unchanged on the year at £800,000 as stocks were brought into line with a lower level of trading. Ahead of an upturn in industrial electronics demand, the yield at 90p is 10.7 per cent. *covered 1.65 times.*

Record £1m. by B. Priest

TURNOVER FOR the year to March 28, 1975, of Benjamin Priest and Sons *(Holdings)* increased from £6.61m. to £8.95m., and pre-tax profit expanded from £0.61m. to a record £1m., after £0.44m., against £0.34m., for the first half.

Stated earnings per 25p share advanced from 8.35p to 12.28p., and the dividend is stepped up from 3.395p to 3.611198p net with a final of 2.6669p.

	1974-75 £	1973-74 £
Turnover	8,947,338	6,607,987
Pre-tax profit	1,003,647	611,857
Taxation	509,133	316,799
Minorities	3,392	1,771
Extraord. debits	—	17,437
Attributable	490,122	275,858

The company manufactures fasteners and pressings, etc.

● **comment**

Although Benjamin Priest's second-half performance—profits more than doubled pre-tax—is flattered to some extent by comparison with a period which was still suffering the after-effects of the three-day week, it still looks fairly impressive. Sales volume rose steeply in the second six months in both divisions but there have recently been signs that it has now peaked out. The rate of new orders has eased noticeably in the first quarter of 1975-76 and although the group has apparently improved its liquidity position significantly since the year end (when short borrowings stood at £700,000 against £344,000 previously) a reduction in pre-tax profits now seems inevitable. At 45p a yield of 13 per cent. appears to have this in mind.

Upsurge at Adams & Gibbon

GARAGE PROPRIETORS, motor dealers and motor engineers Adams and Gibbon reports that profits before tax for the six months to May 31, 1975, jumped to £311,000, compared with £86,000 for last year's corresponding period and £357,000 for the last full year.

The interim dividend is held at 0.875p net per 25p share. Last year's total was 3.3p.

The directors say that with the record half-year level of earnings already achieved, they are confident the outcome of the year's trading will prove to be satisfactory, although in the uncertain economic climate prevailing it is impossible to forecast any further ahead.

They add that although last year's first half was particularly disappointing due to the consequences of the energy crisis, nevertheless they are "very satisfied" with trading so far.

In a period when the total national car market has declined the company's own new car sales have increased by almost 30 per cent., partly due to the introduction of Datsun and *Citroën franchises,* but also due to considerably improved sales from Vauxhall franchises.

The Bedford commercial vehicle franchises benefited from a much improved delivery situation and the ICI petrol marketing operations enjoyed "very profitable" six months trading.

	6 months 1974/5 £	1973/4 £
Turnover	6,040,000	5,874,000
Trading profit	397,000	145,000
Interest payable	86,000	59,000
Profit before tax	311,000	86,000
Tax	174,000	47,000
Profit after tax	137,000	39,000
Pref. dividend	2,630	2,630
Interim dividend	15,750	15,750
Undistributed	118,620	20,620

● **comment**

Against a particularly depressed comparable period, Adams and Gibbon's interim results look impressive; against the usually more buoyant six month to November, the company registered a 15 per cent. increase in both sales and profits. In part this performance was helped by the Datsun and Citroen franchises, but Vauxhall sales—still the main area of operation — were surprisingly good, a fact which cannot be attributed to the Chevette as this only affected the latter part of the period. Possibly A and G's Vauxhall sales were depressed more than the average dealership last year, thus distorting the per formance, but anyway the group is confident that the first nine months of this year will ensure a good result for 1974-75 even if the future beyond August looks uncertain. Nevertheless the shares shed 5p yesterday to 40p where the yield rises to 12.6 per cent.

AVP ahead 16½% to £4.2m.

AGAINST the January last forecast of an advance of not less than 12½ per cent., A.V.P. Industries reports an increase of 16½ per cent., from £3,608,931 to £4,206,435, in pre-tax profit for the year to March 31, 1975, compared with the previous year.

The forecast was made with the first-half results, which showed profits up by 12.64 per cent.

Net earnings, per 25p share, not *subject to any further tax deductions* on distribution, are given at 11.27p compared with 9.56p, and the net dividend total is lifted from 2.246p to the maximum allowable 2.405p with a final of 1.085p. The dividend is covered 4.69 times by available earnings.

The directors also report that turnover and profits for the three months ended June 30, 1975 were higher than in the corresponding period last year, and it is their intention to pay a first interim for 1975/76 with the final for 1974/75.

	1974-75 £	1973-74 £
Turnover	21,117,396	18,718,474
Profit	4,206,435	3,608,931
Taxation	2,039,222	1,766,758
Net profit	2,167,213	1,842,173
Ord. dividends	458,394	439,013

Group activities include property investment and development and the manufacture and installation of air conditioning and refrigeration, office furniture, etc., and it owns hotels and various distributive interests.

● **comment**

AVP has exceeded its interim pre-tax profits forecast by nearly *£150,000 with a gain for the year* of 16½ per cent. and this put the shares up 3p last night to 43p, where the yield is 8.8 per cent., covered 4.7 times. Service and distribution has accounted for over two-fifths of the increase, thanks to 80 per cent.-plus occupancy rates at the London Metropole and record profits at the group's Bedford and Brighton Hotels. London has improved further since the year-end although the other two, which are mainly conference and exhibition centres, have seen slacker trading conditions. Furniture manufacture which, together with refrigeration, accounts for 33 per cent. of total profits, has order books stretching well into next year. The development of the £10m. Birmingham Metropole complex is still, apparently, being financed out of internal resources, so borrowings have not shown much change on the previous year when they amounted to 51 per cent. of shareholders' funds.

Hellenic & General recovery

AFTER A loss before tax of £386,090 for all of 1974, of which £166,915 came in the first half, Hellenic and General Trust, a subsidiary of Hambros, is back in profit with £496,186 for the first half of 1975.

Earnings are stated at 2.9p (loss 1.4p) per 10p share and the interim dividend is lifted from 0.42p to 0.67p net. There was no final for 1974.

The net asset value is given as 52.4p compared with 67.5p per share.

Turnover was £1,344,766, compared with £1,923,425. The profit included dividends and interest income of £543,805 (£578,262) and dealings profits, underwriting commission etc. of £237,765 (£142,938) but was struck after a provision in the dealing subsidiary against an increase in liability to repay currency loans and to reduce the book value of securities to the lower of cost and market value of £93,946 (£666,705), interest charges of £144,506 (£147,105) and management and other expenses of £46,930 (£74,325).

Tax took £40,964 (£27,467) leaving *£455,222 (loss £194,392).*

Terry Kirk

Mr. L. E. Thompson, chairman of Westinghouse Brake.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Acorn Securities ...int.	5.53	Oct. 31	4.02	5.53	4.02
Adams and Gibbon ...int.	0.88	Sept. 24	0.88	—	3.3
AVP Industs.	1.07	Oct. 2	0.85	2.41	2.25
Bromsgrove Casting	1.0	—	0.96	1.7	1.66
Gnome Photographic	2.28	—	2.22	2.28	2.22
Gold and Base Metal Mines	0.9	—	0.84	0.9	0.84
Hellenic and General int.	0.67	Sept. 22	0.42	—	0.42
Hogg Robinson	1.69	Oct. 4	2.8	4.04	3.66
William Jackson	3.94	Sept. 22	3.69	3.94	3.69
Madame Tussaud's ...int.	0.3	Oct. 6	0.26	—(a)	0.83
Maybrook Props.	2.22	Sept. 17	2.22	2.22	2.22
Midland Trust	1.61	Sept. 18	1.5	2.68	2.5
Benjamin Priest	2.67	—	2.52	3.61	3.4
Unitech	3.73	Oct. 1	3.62	6.08	5.72
Westinghouse Brake ...int.	0.68	Oct. 3	0.63	—	1.62

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Maximum permitted total is forecast.

25% sales rise for Tex

CHAIRMAN of Tex Abrasives, Mr. L. Evelyn-Jones, tells members in his annual statement that he views the future with confidence.

He says that a 25 per cent. increase in turnover during the first three months of the current year "bodes well" and it seems *probable that the group's 11.6 per* cent. profit ratio is at least being maintained.

Since the end of last year the company has taken certain steps to diversify further with a view to increasing the turnover and maintaining profits and has formed a new division for the sale of a range of its products through merchant outlets, a market in which it has never participated in the past.

Furthermore, the number of products covered by the company's industrial division has been enlarged and although it is early to predict how well this new project will succeed, current sales are going well. The chairman is quite confident that this diversification, which is complementary to the company's coated abrasives in the woodworking industry and to an extent in the metal working industry, will be a very profitable venture.

Pre-tax profit for the year to March 31, 1975, reported July 2, expanded from £205,498 to £340,292 and the dividend is raised from 2.48475p to 2.70675p net.

A divisional analysis of turn*over and trading profit shows:* coated abrasives and motor refinish £2.76m. (£2.35m.) and £335,516 (£207,046); bonded and diamond abrasive products nil (£87,668) and nil (£1,090); grinding and polishing machines and parts £169,663 (£126,571) and £4,774 (loss £3,633).

A geographical breakdown of turnover discloses: U.K. £2.75m. (£2.4m.): Irish Republic £149,882 (£148,605); exports £27,465 (£19,626).

A decrease in net bank borrowings of £98,888 (increase £232,769) is shown in a statement of source and application of funds.

Meeting Colchester on August 28 at noon.

Madame Tussaud's progress

FIRST HALF turnover of Madame Tussaud's increased from £747,000 to £990,000, and pre-tax profit advanced from £221,000 to £298,000. The figure for all the year 1974 was £804,753.

The interim dividend is lifted from 0.26p to 0.3p net, per 5p and the directors expect to recommend the maximum permitted total—0.83101p was paid for 1974.

Tax for the half year takes £158,000 (£118,000).

● **comment**

An increase in the number of *overseas* visitors to the U.K. (between January-March 1975 these were 30 per cent. higher than in the corresponding period) must have played an important part in the 35 per cent. jump in Madame Tussaud's first-half pretax profits. The second six months of the year is a much more important period and there have been signs that the volume of business is being affected by the current hot spell but the overall number of visitors so far is still higher than for the same period of 1973-74, probably because of the extra attractions which the group has recently introduced to its interests in London, Wookey Hole and Amsterdam. A rise in full-year profits looks fairly certain at the moment and that provides a sound base for the shares which at 15p are yielding a prospective 9¼ per cent.

Pentland Trust

First half 1975 gross income of The Pentland Investment Trust amounted to £513,898, against £525,565 and net revenue was £264,091, compared with £261,724.

An interim dividend of 0.875p (same) net has already been paid. The 1974 total was 2.65p paid from gross revenue of £1.08m.

The six months' net revenue was struck after all charges including tax—overseas £13,434 (£14,686), corporation £51,420 (£15,542), imputed on franked investment income £104,943 (£106,338). Preference dividends take £17,804 and the Ordinary £152,622 (both same).

Net asset value per 25p Ordinary share is shown at 105.4p (79.6p) including the whole of the dollar premium of 23.4p (10p.)

On July 8 the Back-to-Back Loan of \$1.25m. (£520,000) was repaid.

Statement, Page 15

REDMAN HEENAN

Redman Heenan International announces that, as forecast, the payment of the arrears of dividends on the second Preference shares and the first Preference shares will be made on October 1.

Westinghouse recovery

ON SALES up from £13.95m. to £23.72m., group pre-tax profit of Westinghouse Brake and Signal advanced from £0.91m. to £1.54m. in the half-year to March 31, 1975.

And the directors expect second half results "no less than those *of the first half.*" Profit for the year to September 28, 1974 contracted from £3.19m. to £2.55m.

The interim dividend is raised from 0.63315p to 0.67567p net per 25p share. Last year's total was 1.62245p.

	Six months 1975 £000	1974 £000	Year 1973-74 £000
Group sales	23,720	15,950	36,945
Trading profit	1,680	725	2,139
Share associates	513	447	1,041
Interest—Group	544	179	443
Int.—Share assocs.	108	83	176
Profit before tax	1,535	910	2,550
Group U.K. tax	412	290	630
Group o'seas tax	232	90	265
Share assocs.			
U.K. tax	164	152	234
Overseas tax	40	29	89
Total tax	848	471	1,358
Net profit	687	439	1,192
Minority	—	—	32
Attributable	687	439	1,224
Dividend	288	270	692
Balance	399	169	532

Group sales and trading profit six months to March 31, 1975 includes £1,949,000 and £112,000 respectively for Partridge Wilson and Co., which became a subsidiary in July 1974. In comparative figures, group share of that company's trading profit, £20,000 for the six months to March 31, 1974 and £34,000 for year to Sept. 28, 1974 included in associates.

● **comment**

Westinghouse's recovery stems mainly from an increase in productivity, enough to push profits 60 per cent. higher (adjusting for Partridge), a trend still evident and giving cause for expecting further profit improvements. Australia, which has been a problem area for some time, is well on the road to coming right (activity was doubled during the interim period) while an improved supply of both labour and components in the U.K. removed some of the constrictions of last year. Furthermore, low-margin U.S. contracts are gradually being worked out and replaced by more profitable orders, while U.K. public transport (a major customer for signalling equipment) has shown no signs of reducing orders although Westinghouse cautiously supplements BR work with a fair amount of exports nowadays. A forecast of no less than £1¼m. for the current half (taking in full figures from Partridge) against £1.6m. last time was enough to put the shares 1p better at 23p yesterday, where the yield is still as high as 10.8 per cent.

At the moment figures were very much on a par with those of last year, while looking beyond September, "our widespread range of customers and trades should ensure a reasonable continuity of profits," he added.

Meeting, Page 24

£1.25m. profit for Balfour Darwins

For the 64 weeks to March 29, 1975 Balfour Darwins, a subsidiary of Edgar Allen, reports a pre-tax profit of £1.25m. compared with a loss of £128,000 for the previous 53 weeks.

There is no final dividend. An interim of 0.378875p and a second interim of 2p net as part of merger arrangements have already been paid. Last year's total was 0.335p.

	64 wks. 1974-75 £000	53 wks. 1973 £000
Turnover	22,747	15,238
Interest	649	409
Inv. income	32	15
Associated	292	209
Pre-tax profit	1,253	*128
Tax	806	177
Minority loss	1	*8
Extraord. debits‡	806	**425
Deficit- retained	151	23

* Loss. † Profits. ** Credits. ‡ Comprises loss arising on variations of exchange rates £392,000 (profit £425,000), reduction of reserves on disposal of associate £340,000, expenses from acquisition by holding company £88,000 and deposit retained on expired options.

The company operates as manufactuers and processors of steels, magnets and tools.

Triplex Foundries

Addressing the annual general meeting of Triplex Foundries Group, the chairman, Mr. R. Harrison, said that, because of the present economic situation it was extremely difficult to forecast any further than the end of September.

Wintrust setback to £0.8m.

IN THE YEAR ended March 31, 1975, profits of bankers Wintrust were halved to £0.8m., from £1.63m.

After corporation tax £146,681 (£787,173) and deferred £270,612 (£7,100), net profit came out at £382,707, against £836,364.

Earnings were shown at 5.8p, compared with 13p per 20p share. Dividends totalling 2.9191p net (2.633p) have already been paid.

The directors report that group's overall liquidity position is the strongest ever, with some 62 per cent. of the £26.4m. worth of current assets being in cash or an equivalent form, compared with 40 per cent. a year ago. *Liquid assets now amount to* some 87 per cent. of deposits held.

At the same time, the gearing ratio of loans and advances to capital and reserves has been still further reduced to 1.4 : 1, with loans and advances down from £16.6m. to £10m., although deposits are little changed.

The profits are struck after doubtful debts and also reflect the continuing conservative policy of reducing the gearing.

Net asset value is equivalent to 105p per share. The strength inherent in this position is underlined by the unusually low gearing ratio of loans to net assets, and the quality demonstrated by the increasing proportion of liquid assets. Mindful of this the directors are exploring means whereby these virtues may be translated into tangible benefit to shareholders.

See Lex

Midland Trust turns in £0.22m.

Taxable profit of Midland Trust finished the year to June 30, 1975 £13,828 ahead at £213,855, compared with 1973-74.

Tax takes £73,789 (£66,335) leaving the net balance up from £133,694 to £140,066.

A final payment of 1.6107p per 25p share lifts the dividend total from 2.5p to 2.6807p net at a cost of £112,589 (£105,000).

Net asset value per share, ignoring contingent liability to capital gains tax, is shown at 56p at June 30 against 51p 12 months earlier.

Little change for Gnome

Taxable profits, for the year to May 31, 1975, of Gnome Photographic Products show little change at £225,718 compared with £226,913 on turnover of £982,138 against £1,093,903.

The tax charge is up from *£118,114 to £120,455, extraordinary* debits absorb £14,673 (£4,128) and £30,000 (£50,000) is transferred to the general reserve.

Earnings per 10p share are shown to have slipped from 4.66p to 4.23p. The dividend is lifted from 2.216p to 2.275p net.

Bromsgrove

Turnover of Bromsgrove Casting and Machining increased from £708,776 to £1,472,231 in the year to March 31, 1975, and profit advanced from £113,350 to £208,724, subject to tax of £109,140 (£61,500).

A final dividend of 1p raises the total from 1.6225p to 1.7p net per 5p share.

Maybrook holds dividend

REFLECTING lower property dealing profits, and substantially increased interest charges relating to development properties, a pretax loss of £63,789 against a previous profit of £265,865, was *incurred by Maybrook Properties* for the year to March 25, 1975.

After a tax credit of £131,436 (charge £78,143) and a transfer of £218,537 (£85,464) from capital reserve in respect of developments interest, net of tax relief, there was a net surplus of £286,184 (£273,186).

Deducting minorities, etc., and crediting £162,071 (nil) from capital reserve representing a realised capital surplus, the year's distributable balance was £375,668 compared with £257,293.

Adjusted earnings per 25p share are shown at 2.57p compared with 4.69p and a net dividend of 2.216p per share, as previously, is recommended. The chairman, Mr. *L. E. Manousso* has waived £16,250 (£16,750) dividends —equivalent gross on the pre-imputation basis 1975, £25,000.

The directors are expecting next year's results to show an improvement. U.K. projects under construction and completed for trading involve a cost of £5.4m. *and those in Belgium £6.8m.*

Net asset value per share is given as £1.03, compared with £1.18 at end-March 1974.

The value of the group holdings has been examined by the professionally qualified full-time directors as at March 25, 1975. New valuations of each property have been prepared and increases in value total £848,762 and decreases £863,476.

A possible reduction in value of £490,000 in respect of land and buildings owned in Dover and Sutton has been allowed for and the net resultant decrease of £14,714 charged to capital reserve.

As a result of a revaluation by the professionally qualified *directors* of shares in two associated property investment companies a net amount of £152,000 has been written off to capital reserve. An amount of £141,000 has been written off value of miscellaneous sites and buildings held for trading and charged against trading profits.

The consolidated capital reserve account at March 25, 1975 was £2,668,765 compared with £3,309,322 at March 25, 1974.

	1974-75 £	1973-74 £
Property rentals	554,085	525,674
Outgoings	65,686	61,763
Share associates	908	5,530
Total	489,303	469,441
Int. received	1,616	8,404
Prop. dealing profits	217,099	345,734
Making	707,917	823,599
Int. paid, adminis. etc.	316,419	333,343
Int. development props.	458,287	224,389
Loss	63,789	*265,865
Tax credit	131,436	†78,143
From cap. res. devel. int.	218,537	85,464
Surplus after tax	286,184	273,186
Minority, etc. interests	72,587	15,893
Realised cap. surplus	162,071	—
Distributable	375,668	257,293
Dividend	91,167	91,167
Div. waived	16,250	16,750
To cap. reserve	50,000	—
To sinking fund	36,027	36,026
Formation exp. w/o	—	1,389
Retained	214,724	145,481

* Profit. † Charge.

ISSUE NEWS

Local Authority 11⅜% one year bonds

This week's issue of local authority one-year bonds carry a coupon rate of 11⅜ per cent. at £99⅔. The bonds are due on August 11, 1976.

This week's issues are: Hertfordshire County Council (£1m.), City of Nottingham (£1½m.), City of *Kingston upon Hull* (£1m.), St. Edmundsbury Borough Council (£½m.), City of Westminster (£1m.), Wimborne District Council (£½m.), Sedgemoor District Council (£½m.), Ettrick and Lauderdale District Council (£½m.), West Lothian District Council (£½m.), Roxburgh (£½m.), Crawley District Council (£½m.), City of Exeter (£½m.), Borough of Hyndburn (£½m.), Vale of Glamorgan Borough Council (£½m.), Wellingborough District Council (£½m.), Wansbeck District Council (£0.3m.), Borough of South Tyneside (£0.6m.), London Borough of Barnet (£1m.), Chiltern District Council (£½m.), London Borough of Croydon (£1m.), Doncaster Metropolitan Borough Council (£0.4m.), Lichfield District Council (£½m.), Rhymney Valley District Council (£½m.), City of Southampton (£1m.).

FEEDEX—96.45%

In respect of Feedex's rights issue on the basis of one-for-one at par (10p) acceptances were received for 96.45 per cent. of the 4,501,185 shares offered.

هكذا من الاصل

مكتبة الاهرام

Initial Services sees overseas lift

ALTHOUGH BETTER contributions are likely from the overseas interests of Initial Services, chairman Mr. A. F. Carling again finds it impossible to make a sensible prediction of profit.

Diversification can give only limited protection against slump, and for most of the group's range of services and products the consequences of still continuing inflation "are incalculable," he points out.

Mr. Carling hopes that inflation in the U.K., EEC and Australia can be restrained, and that price controls do not prevent the making of such profits as will encourage the group to renew and replace assets and develop more widely the lines on which it is proficient.

The trading profit of £5.99m. attained in 1974-75 is a shade higher than the previous best in 1972-73, but Mr. Carling feels this is poor reward for the development and real growth achieved in the last two years.

Industry stays beset with controls, and 1974-75 may fairly be contrasted with 1971-72, the last complete year before the Price Commission came into being.

The hire and replacement services accounted for 78.4 per cent. of turnover and £5.60m. of trading profit.

As reported on July 10, group profit before tax for the year ended March 31, 1975 was £5.85m. (£5.04m.), and the dividend is 3.37p (3.17p).

At July 18, British Electric Traction held 39.88 per cent. of the Ordinary and London and Manchester Assurance 22.5 per cent. of the Preference capital.

BOARD MEETINGS

The following companies have notified dates of Board meetings to The Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims—T. F. and J. H. Braime, Britannic Assurance, Glynwed, Jamesons Chocolates, Moorside Trust, York Trailer.

Finals—Ailsa Investment Trust, James Austin Steel, Bollington Textile Printers, G. M. Firth (Metals), Hollis Bros. and E. S. A., Melody Mills, Pretoria Portland Cement, Primrose Industrial, Steinberg, Western Motor.

FUTURE DATES

Interims—

Amalgamated Metal	Aug. 8
Jersey Electricity	Aug. 29
Lambert Howarth	Aug. 18
Law Debenture	Aug. 7
Olives Paper Mill	Aug. 8
Slater Walker Securities	Aug. 19
Status Discount	Aug. 7
Tronoh Mines	Aug. 21

Finals—

Associated Tooling Industries	Aug. 13
Ayer Hitam Tin Dredging	Aug. 21
Cowan De Groot	Aug. 14
Longton Transport	Aug. 15

ANGUS RESTAURANTS

Angus Restaurants (a wholly-owned subsidiary of EMI) is proposing to repay its 8 per cent. Debenture Stock 1987-92 at £75 per £100 nominal, plus accrued interest (less tax) to September 4, 1975. The necessary meeting of holders is called for August 28.

Sutcliffe Speakman order peak

THE ANNUAL MEETING of Sutcliffe Speakman was told that the group had a record order book, 65 per cent. of which was for export and that the results for the first quarter were in line with expectations.

The group had recently secured a contract to supply a brick-making factory to the Emirate of Abu Dhabi to the value of £1.17m., the largest contract for brick-making plant it had undertaken to date.

Chairman, Mr. S. W. Livesey, said that provided measures to contain inflation meet with success and "we continue to keep our plant and machinery working without hindrance then, as I said in my annual statement, we shall continue to prosper."

Wm Jackson earns and pays more

PRE-TAX profit of William Jackson and Son shows a £265,411 increase at £1.28m. for the year to April 26, 1975, from turnover up from £39.74m. to £50.65m. At halfway the profit advance was from £405,074 to £513,115.

After tax of £711,913 (£661,993) the net balance comes out £155,491 higher at £563,738. The amount attributable is £451,943 (£444,432).

Earnings for the year are given at 23.8p per 50p share against 16.7p and the dividend is stepped up from 3.693p to 3.941p.

The company which has "close" status operates as bakers, confectioners, meat product manufacturers and supermarkets.

SHARE STAKES

Thos. Barlow (Holdings) now holds 4,100,353 Ordinary (15.8 per cent.) in Wadham Stringer.

Bandanga Holdings has sold 25,000 Central Province Ceylon Tea Holdings Ordinary reducing its total relevant interests to 575,000 shares.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div.	Times covered	Gross Yield	P/E Ratio
‡	F.P.	—	172	156	Akroyd & Smithers	168	[illegible]	u12.5	1.7	12.1	7.6
$106	F.P.	—	£77	£75	Brazilian Invs. S.A.	£75	[illegible]	[illegible]	—	9.0	—
48	F.P.	11/7	66	48	Clive Discount (50p)	60	[illegible]	[illegible]	—	—	—
56	F.P.	31/6	66	60	Lawrence (Walter)	65	[illegible]	[illegible]	2.7	10.6	4.5

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Adwest Grp. 10¾% Cnv. 86/2000	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Barclays Bank 12½% Capital Notes 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bristol Corp. 11¼% 1980	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Do. [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	C.S.R. 9¼% Notes 1985	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Camb. Water 9% Red. Pref. 1980	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	City of Westminster 13% Red. 1981	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Clayton Dewandre 12% Deb. 90-95	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Derby Borough Council 13¼% Stk. 1983	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	East Surrey Water 9% Red. Pref. 1980	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	English Properties 12% Conv. Ln. 2000/05	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Folkestone Dist. Water 9% Red. Pref. 1980	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hoechst 10% Guar. Ln. 1990	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Land Secs 10% Conv. 80/05	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mitchell Cotts 12% Conv. Uns. 80/6	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Newcastle & Gates 9% Red. Pref. 1980	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	N. Surrey Water 9% Red. Pref. 1980	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Property Hldgs. & Inv. 9% Conv. 1996	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sunderland Water 9% Red. Pref. 1980	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Turner Curzon 10% Conv. Uns. 78-83	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Whitbread 11½% Conv. 1995	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Adams Foods	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Anderson Strathclyde	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Associated Engineering	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Barrow Hepburn	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	BOC Int.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	B.S.R.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Bowater	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	British Steam Specialties	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Carless Capel	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Century Oils	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Clayton Dewandre	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Commercial Bank of Australia	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	CompAir	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Crossley Building	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Dunbee-Combex-Marx	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Empire Stores	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Ever Ready	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hanson Tst.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Hazlewoods (Proprietary)	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Headlam Sims & Coggins	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Law Land	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Legal & General	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	London United Inv.	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Macfarlane Group	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	McCorquodale	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Metal Box	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Morgan Edwards	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	N.S.S. Newsagents	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Nurdin Peacock	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pegler Hattersley	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Poseidon	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Premier Cons. Oilfields	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Redland	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Renold	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Royal Worcester	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Senior Engineering	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Serck	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Smiths Industries	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Tate & Lyle	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	U.K. Optical	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Unicorn	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Whatman Reeve Angel	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Whessoe Distribution & T.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

MINING NEWS

Hancock has high new iron ore hopes

BY LESLIE PARKER, MINING EDITOR

IN THE LONG, drawn-out battle by Mr. Lang Hancock to launch what could well be the last of Australia's major iron ore suppliers to Japan, he looks to have achieved a success that could lead to ultimate victory.

Kenneth Randall reports from Canberra that the Japanese steel industry has asked for an equity holding in the $A600m. (£364m.) Marandoo project in Western Australia's Pilbara district the present partners in which are the Hancock-Wright interests and America's Texasgulf which will be the operating company.

Mr. Hancock, as usual, tends to brush aside the political implications of the deal. He regards the idea of Australian Government equity participation as "impracticable" and claims that he has tried harder than anyone to retain 100 per cent. Australian ownership. "I have tried every major Australian firm and they won't have a bar of it," he said in Sydney.

Production aims

He reckoned that both the Prime Minister Mr. Whitlam and the Minister for Minerals and Energy Mr. Connor had given considerable support during the Japanese negotiations, "as much as could be expected given the differences in our politics."

If all goes well the Marandoo programme aims at a 15m. tonnes a year start-up in three years' time, by far the biggest initial target in the Pilbara, from proven reserves of 500m. tonnes although there are "thousands of millions of tonnes" in the deposit Mr. Hancock claimed. A subsequent production build-up to 18m. tonnes is envisaged with some of the output being sold to Europe.

Mr. Hancock added that just as important for future development was the fact that the Marandoo infrastructure, and he was presumably talking primarily about the railway, would provide the "easiest way out" for 90 per cent. of the Pilbara's iron ore production. What the other big producers in the area may think of this claim is another question altogether.

NEW PROCESS FOR IMPALA

An agreement has been signed between the Union Corporation group's Impala Platinum and South Africa's National Institute for Metallurgy to investigate the feasibility of refining Impala's rhodium, ruthenium and iridium by the NIM process. Pilot scale studies will be conducted with a view to installing additional plant at the Springs refinery which would use this process and thereby, it is stated, appreciably shorten the in-plant lock-up of these metals.

The NIM process, which depends on solvent extraction and ion-exchange processes for most of the separation steps, is described by South Africa's Mines Minister as yielding higher metal recovery for much lower costs than the conventional process. Yesterday Bishopsgate Platinum reflected the news with a gain of 4p to 105p.

Botswana RST struggles on

THE trouble-torn Selebi-Pikwe copper and nickel operation of Botswana RST, which started production early last year, is still losing money and little hope is held out for any major improvement in the near future. During the half-year to June 30, Botswana RST has incurred a net loss of R17.2m. (£11.2m.).

Technical troubles have resulted in production running at only 30 per cent. of rated capacity during the past half-year and, while an improvement is expected in the current six months, the operation is still expected to run at a loss. Indeed, even the attainment of full production—not expected even to be achieved next year—would need to be accompanied by significantly higher metal prices for "satisfactory results" to be obtained.

Meanwhile, the carry-over of capital costs and royalties amounts to R8.6m. (£5.6m.) and a major re-financing programme is vital to the future of Botswana RST. It is stated that this cannot be undertaken until a clearer picture emerges but it is hoped that it may be possible to formulate such a plan in the light of results obtained over the next six to nine months. Botswana RST dropped 12 to 70p yesterday.

SUN AND SHOWER FOR GT. BOULDER

Matching the change in London's weather yesterday comes news of sunshine and showers from the Western Australian nickel operations of Great Boulder. The good news is that, after the surface collapse at the Scotia mine in July last year, operating restrictions were at last withdrawn in the 16 weeks to June 17.

As a result, Scotia increased production of nickel-copper concentrates to 2,850 tonnes and sold 2,785 tonnes, bringing the total sold for the 52 weeks to June 17 to 7,757 tonnes containing 14.98 per cent. nickel and 0.95 per cent. copper. But this compares with 18,258 tonnes in the same period of 1973-74 when the property was owned as to 51 per cent. by Great Boulder and 49 per cent. by North Kalgurli.

However, from October 11 last year the joint venture scheme between Great Boulder and North Kalgurli was ended, leaving Great Boulder as the full owner of Scotia and also of the previously shared Carr Boyd Rocks nickel operation in Western Australia.

The latter suspended operations on June 17 this year owing to cost-inflation and the fall in the price of copper. Its nickel-copper concentrate sales for the past year amount to 12,231 tonnes compared with 8,225 tonnes in 1973-74. Great Boulder hardened 2p to 74p in London yesterday. They now move in line with Western Mining in view of the latter's proposed one for two share bid.

COSTS HITTING GOLD PROFITS

The continuing story of the remorseless rise in mine working costs coupled with a decline in the gold price from its earlier peak levels is underlined by a further fall in the latest quarterly profits of South Africa's gold and uranium mines. June quarter working profits have come back to R329.4m. (£215.7m.) from R351m. in the previous three months.

The resultant half-year total of R680.4m. compares with R796.2m. in the first half of 1974 when the year's total reached a record R1.57bn., an increase of 63 per cent. over that of 1973.

It is notable that the average bullion price received by the mines in the first half of last year was some $158 per ounce whereas the figure was around $173 during the past six months when lower profits were made. This emphasises the impact of rising costs which has been given an upward twist in the latest period by wage increases for both black and white workers.

NOW IT'S GOLD FOR LEOPOLD

Australia's Leopold Minerals has established "substantial reserves" below the existing workings at its Kitchener gold mine in the Bamboo Creek area of the Pilbara according to a statement to the Perth Stock Exchange by the chairman Mr. Wayne Ryder. The combined probable and possible tonnage of 98,437 with a potential gold yield of 131,906 ounces is valued at $16.5m. (£10m.) with gold at $A125 an ounce.

The consultant's calculations are described as conservatively based on a mine which had produced up to 8,000 tons of rich ore annually for many years. There was a possibility of "large low-grade deposits amenable to open-cut mining" on the eastern side of the mine, Mr. Ryder said, making a "strong potential for further discoveries and extension of reserves." Bamboo Creek is about 40 road miles north-east of Marble Bar. In London yesterday Leopold shares were unperturbed at around 2p. The company has a lot to live down in view of the unfortunate events in 1971 under its former management.

ROUND-UP

Canada's Falconbridge Nickel is still endeavouring to solve the tax problem which caused its half-year results to be based on two assumptions as detailed here on June 5. President Marsh Cooper now says that an agreement may be close with the provincial authorities on a solution to the problem.

In the annual report of Nchanga Consolidated Copper Mines it is stated that the chairman's review by Mr. A. J. Soko is being issued therewith. It is understood, however, that it is now to be sent out "in due course." The results for the year to March were detailed here on June 27. Zambia Copper Investments holds 49 per cent. of Nchanga. Its shares were 54p yesterday.

BIDS AND DEALS

North Sea oil merger

Terms have now been disclosed for the previously foreshadowed merger, which has been completed, of the North sea oil interests of London and Scottish Marine Oil, Cawoods, and National Carbonising. All three are members of the Ranger consortium.

It was announced in April that negotiations were under way which could lead to the acquisition by LSMO of the others' interests.

The agreements involve the transfer by Cawoods and National Carbonising of their interests in oil licences P.199 (which includes part of the Ninian Field), P.128 and P.229 and their holdings of 50,000 Common shares in European Marine Oil NV, and the issue to each of them of 385,890 £1 shares (fully paid) and 771,780 £1 shares, each 30p paid (representing in each case about 15.6 per cent. of the enlarged share capital) of LSMO, and approximately £725,000 Floating Rate Unsecured Loan Stock of LSMO.

The Loan Stock is equivalent to Ninian developing expenditure incurred by Cawoods and National Carbonising respectively before July 31, 1975, and is repayable on December 31, 1975.

The uncalled share capital of LSMO, amounting to £540,246 for each of Cawoods and National Carbonising will be called up as required by LSMO for future expenditure.

LSMO has issued additional Floating Rate Loan Stock of £2,816,934 to cover its increased Ninian development expenditure following these acquisitions. Half this additional stock will be taken up by Cawoods.

Mr. E. Binks, chairman and managing director of Cawoods, and Mr. D. Stroud, chief executive of National Carbonising, have joined the Board of LSMO.

ICI IN GERMANY

Agreement has been reached in principle for the acquisition by ICI of a 70 per cent. interest in German paint manufacturers, Hermann Wiederhold KG of Hilden, near Dusseldorf. As soon as formalities are completed, operations of ICI's existing German paint interests in Spangenberg Werke, near Hamburg, will be integrated with Wiederhold, which has a paint capacity of nearly half that of ICI in the U.K. and is particularly strong in industrial paints, printing inks, woodfinishes, can coatings and can sealants.

BID FOR PUNDALOYA

Shares in Pundaloya Holdings, the tea company controlled by Jessel Securities and Eastern Produce Holdings with estates in Sri Lanka, rose 4p to 16p yesterday on news of bid of 12⅝p per share, which values the company at £80,000.

The Pundaloya Board said the 377,452 shares held by Jessel and the 190,410 held by Eastern Produce (total 73.08 per cent.) have been sold to clients of stockbrokers, Dunkley, Longman, Marshall and Co., and other investors, at 12⅝p.

As a result, Mr. J. S. Herbert, and Mr. I. H. A. Hazeel, now hold 15.2 per cent., and other clients of Dunkley, Longman, hold 28.43 per cent. of the capital. These, together with Mr. T. E. Stanley, an existing director, who holds 8.97 per cent., will total 52.6 per cent., and are acting in concert.

In accordance with the City Takeover Code, an unconditional cash offer of 12⅝p per share will be made by Dunkley, Longman, Marshall on behalf of Mr. J. S. Herbert and Mr. I. H. A. Hazeel, for the outstanding 114,853 shares.

The Pundaloya directors estimate net asset value per share to be 18½p, of which 11½p is in the U.K.

CADBURY TYPHOO EXPANDS

Glenville, a subsidiary of Tunnel Refineries, has been acquired by Cadbury Typhoo, part of the Cadbury Schweppes chocolate and soft drink group, for about £500,000.

The company produces a range of products for the grocery and catering trade, its major products including Ice Pops, instant milk, custard powder and cornflour.

It was explained that Glenville occupied premises within the general site area of Tunnel Refineries at Greenwich now required for future expansion by the parent. Various alternative sites had had to be rejected and the decision had been made to sell the company trade marks, plant and machinery to Cadbury Typhoo, which has facilities at its existing plants to accommodate the production capacity of Glenville.

RICHARDSONS WESTGARTH

Richardsons, Westgarth and Company, the engineering and stockholding group, has through its Aberdeen-based RW Offshore Services subsidiary, acquired the business of J. M. Mouat of Lerwick (Shetland), which is engaged in plumbing, heating and electrical supplies and contracting. No financial details were disclosed.

Britain's hot weather spell should mean good sales for one French product. But it has its problems. **Kenneth Gooding reports**

The 'social embarrassment' of asking for bottled water

FOR MOST people in Britain the fact that there is any market at all for bottled water probably comes as something of a surprise. The British have traditionally assumed that their tap water is always pure even if the taste is sometimes peculiar. That attitude, however, changed a little after the prolonged strike of sewage workers in 1970 when some tap water turned green—as did the faces of those who read headlines like "Do you drink your neighbour's bath-water?" That thought certainly made some people less complacent. Sales of bottled water began to sparkle.

About the same time there was also a growing interest in so-called health foods and this also was beneficial to bottled water sales which grew at an annual rate of 20 per cent. in volume terms until 1974. However, various factors last year slowed the rate of progress to a trickle, a mere two to three per cent. The problem was that the restaurant and hotel trade, which is responsible for the sale of most bottle water in the U.K., had a bad year. The first three months' period was marred by restrictions on heating and lighting at the time of the miners' dispute. This was followed by a poor summer, both for weather and for tourism. By the end of the year the oil price rises had begun to hurt so much that people again started to cut down on the luxury of regularly eating out, and as the economy sloped into recession expense accounts were pruned by many companies, adding further to a drop in demand for bottled water.

Prospects look no brighter for the restaurant business this year, but the U.K. importers of bottled waters still feel that the market will closely follow the general economy, showing a low growth for at least a couple of years until, hopefully, Britain's economy improves. Thus sales could rise again in volume terms by perhaps only 5 per cent. during the next two years. This could be embarrassing for some of the newcomers to the business, attracted by the previous fast growth of the market.

Casualty

There has already been one apparent casualty. R. White, the Whitbread subsidiary, in 1972 took over the U.K. agency for Evian, one of the best-selling bottled waters in France. White wanted to split its water operations into two phases — first selling Evian as a "mixer" in pubs with the theme "It allows the flavour of your drink to come through," and then through the health-food outlets.

As with Malvern water (distributed by the Schweppes Drinks part of the Cadbury Schweppes group) Evian was meant to be given away by publicans, but by all accounts licensees did not take too kindly to the idea. The Evian agency is now back where it started — with another Cadbury Schweppes offshoot, Schweppes Agencies, a concern which, apart from handling bottled waters, also has a big specialised foods business.

The boom period also saw Volvic, number four in France's water league, introduced to Britain, this time by the Inver House company which is part of Publicker Industries in America. Then last year Allied Breweries, which describes itself as "Europe's biggest drinks business," took over the British agency for Apollinaris, a bottled water owned by another brewing group, Dortmunder Union of West Germany.

Apollinaris, nicknamed "Polly" by the British, was added to the portfolio of Allied's Britvic Minster subsidiary which is a relative newcomer to the market for soft drinks "mixers" like tonics, bitter lemon and dry ginger. The addition of a well-known bottled water brand gave Britvic Minster's list a little additional lift. Mr. George Inman, deputy chairman of the company, says that sales of "Polly" are ahead of budget and "we are terribly happy with progress so far."

But progress by any concern in the U.K. bottled water market must be seen in the context of the market's size, for the base is still very small. Inflation over the past year has probably put the import value of bottled waters up to about £850,000. It would be difficult to guess at the retail value because prices per bottle go as high as the £1 a time charged by some of London's top-price restaurants and clubs.

Market

It is the modest size of the market which led a research organisation to remark: "The market in the U.K. is too small to provide any significant commercial scope in the foreseeable future. There may be a worthwhile market, however, in five to ten years' time: this would be more likely in clean water as a health drink." The same researchers provided a profile of the average British drinker of bottled water: He is from the AB socio-economic groups, aged over 35 and living in London or the South East.

"He is likely to regard himself as essentially European—responding in an open-minded way to influences and experiences encountered in Continental business and holiday travel."

But he rarely uses bottled water as a mixer with spirits or wine. More important to him is water's role as an accompaniment to rich meals and as a refreshing summer drink in its own right. Even for regular users, however, bottled water is not "a high interest area." Awareness of competitive brands is understandably limited and brand election owes more to availability than to loyalty. Factors such as the purity of bottled water and the health benefits claimed for it are not significant in the U.K. Such aspects are felt to be of concern "only to cranks and foreigners," according to the researchers. People who do not drink bottled water generally discount any sort of health benefit and regard the normal price as being exorbitantly high for "just water." In addition the researchers found "evidence of real social embarrassment among people asking for a Continental bottled water."

All this shows just how big the problem is for those importers who aim to sell bottled waters to the British. The biggest fish in this particular pond is Schweppes Agencies which, until the post-1970 boom, accounted for about 90 per cent. of the market. Now this has come down to some 70 per cent. of a bigger market.

Simplicity

Agencies tackled the problem of selling bottled water by asking hoteliers and restaurateurs: "Why give water away when you can sell it?" This campaign has the sheer simplicity which is a feature of most great selling campaigns. Mr. Ian Wordsworth, marketing director of Agencies, maintains that by adding a bottled water to its wine list an establishment is bound to sell some. Like the market researchers, he stresses that it is highly unlikely that the customer will drink water instead of wine and thus deprive the caterer of his profit on the wine.

Although most bottled water is sold through outlets which provide cooked food, serious attempts are being made in the U.K. at the moment to open up the grocery trade. Heading the contenders here is Aqualac Alimentaire, a subsidiary of the giant Perrier food and drinks group of France. Set up in the first place to sell French dairy products into Britain, AA also has the job of promoting Perrier, one of the most famous of bottled waters, to the grocery chains here.

It has had considerable success in getting the water onto the shelves, usually the most important part of the battle. By widening the market in this way AA had provided bottled water with a bigger base from which to take off when the U.K. economy does start to look less sluggish.

In the take-home trade, as with many other products, pricing is extremely important. Margins of profit accepted by the water importers must therefore be lowered in this part of the business. The aim seems to be for a 1½ litre plastic bottle of water to sell for around 30p.

Most bottled waters sold in the U.K. come in from France and the devaluation of the pound against the French franc has not helped prices. They went up in April and will probably go up again very soon so that by the end of the year around 25 per cent. will have been added to prices. Unlike most products practically the whole of the cost of a bottled water is accounted for by the container and transport; the water must be packaged at source, close to the spring from which it comes.

All things considered, it will take a long time before Britain gets anywhere near her Continental European partners in bottled water consumption. Water has always been fairly big business in Europe. There are an estimated 400 commercial springs in Italy alone while France is said to have as many different bottled waters as she has cheeses. Many of these water businesses are part of large food combines — Perrier being just one example (its turnover in food and water is equivalent to £250m. a year) while Evian is part of the BSN-Gervais-Danone group of France.

Some of the Continental water businesses are currently going through a bad patch on the profits front. The plastic bottle, pioneered by Vittel in 1969 in France, was copied with flattering alacrity by its rivals. This rebounded in two ways. First the consumer organisations claimed that the plastic damaged the delicate chemistry of the water while at the same time the anti-pollution lobby complained about the non-returnable, non-degradable bottles. Then came the oil crisis which sent the cost of plastic, produced as it is from an oil base, soaring.

The Continental water concerns are therefore seeing margins of profit being eroded in spite of increases in volume of sales. Consequently advertising budgets have been trimmed and other cost-cutting exercises are in evidence. Not that in the U.K. there has ever been much room for above-the-line promotion of bottled water although Schweppes did run a short Southern Television campaign for Perrier a year or so ago.

Habit

What is certain is that the Continental European will go on drinking bottled water in vast quantities but it will take a considerable change in attitude by the British before they catch the habit. In France and Germany, for example, people eat and drink things which they believe will keep them healthy—and bottled waters come into this category. The British, however, are in the main only interested in their health when they become ill.

Finally, it must be said that the recovery in tourism this year will do much to give the bottled water market in the U.K. a boost. Continental travel will produce some more British converts. More important for the time being is that more tourists are visiting Britain.

In the words of Mr. Ian Wordsworth: "For every bottle of water sold to an Englishman I reckon there is another bottle sold to a visitor from overseas."

INTERNATIONAL COMPANY NEWS + EURO MARKETS

German/Swedish banks 'marriage of convenience'

BY GUY HAWTIN

FRANKRURT, August 5.

THE GO-AHEAD is believed to have been given for "a marriage of convenience" between Sweden's largest commercial bank and West Germany's leading Landesbank. They are to set up a joint banking subsidiary here, aimed initially at capturing a substantial share of the financing of West German-Scandinavian trade.

It is understood from sources in Sweden that the new bank will be started with nominal capital of DM40m. (£7.23m.). The partners—the Skandanaviska Enskilda Bank and the Bayerische Landesbank Girozentrale—will each hold 50 per cent. of the equity.

Skandanaviska Enskilda is by far the largest Scandinavian bank and has extensive overseas connections. Its chairman, Dr. Marcus Wallenberg, the leading Swedish Industrialist, and its President, Mr. Lars-Erik Thunholm, were in Frankfurt yesterday explaining their plans to top German bankers, including the highest Bundesbank officials, West German sources said here to-day.

Nothing has yet been officially announced here. To-day the Bayerische Landesbank—the largest bank in Bavaria and the fourth largest on a consolidated basis in the Federal Republic—was unable to comment.

However, it is understood that management of the new bank is to be equally divided between the two partners. Dr. Marcus Wallenberg, it is believed, will be the first Supervisory Board Chairman, while Deputy Chairman will be a senior official from the Bayerische Landesbank. The executive board will be evenly split between Bavarians and Swedes. It is understood that the leading Swedish Executive Board member is to be Mr. Christian Norgren, a Vice-President of Skandanaviska Enskilda and currently head of the bank's representative office here in West Germany.

The move is thought to be a particularly shrewd one for both partners and the seriousness of their approach is illustrated by the size of the initial capital stake. (This compares with the Bayerische balance sheet total of DM40bn.) While it will undoubtedly create harder competition, it is understood that the new bank is welcomed both by German commercial bankers and the Bundesbank itself.

No date has yet been announced for its start of operations. However it is believed that it should be ready for business before the end of the year and should be well placed to take advantage of the economic upswing which is variously forecast for the beginning of next year or at least half way through 1976.

For the Swedes, the joint subsidiary represents an imaginative and innovative move into the West German market. West Germany has proved a difficult area of operation for many foreign banks which have opened here, particularly in the field of refinancing. But the alliance with the large Bavarian bank—which is jointly owned by the state of Bavaria and the Sparkassen und Giroverband of Munich (the savings banks and Giro association) will mean that there are no problems in this direction.

As far as the Bayerische Landesbank is concerned, partnership with Skandanaviska Enskilda means that it will be able to benefit from the Swedes' wide experience in foreign operations. It will also gain greatly from Skandanaviska Enskilda's impressive list of prospective clients.

The potential market that the bank is aiming for is a huge one. West German-Swedish trade alone was worth DM11.8bn. last year, with Swedish exports to West Germany totalling DM4.1bn. and West German sales in Sweden coming to DM7.7bn. But added to this must be the trade turnover between West Germany and Denmark, Norway and Finland. These totals are DM7.3bn., DM4.9bn. and DM3.7bn. respectively.

There are also many potential customers among the 400 subsidiaries of Swedish companies operating in West Germany, many parent companies of which already deal with Skandanaviska Enskilda in Sweden. Among them are such giants as SKF, the West German subsidiary of which alone has a turnover of over DM1bn.

MAN still working to full capacity

BY GUY HAWTIN

FRANKFURT, August 5.

MASCHINENFABRIK Augsburg-Nuenburg (MAN), one of West Germany's leading engineering concerns, has stated that order books for its commercial vehicle operations are such that the operation will be working to full capacity for the foreseeable future. There has been no short-time working in the sector and none is likely.

Exports are the key to current successes. They account for about 45 per cent. of the sector's turnover which for the 1975-76 business year is forecast to reach DM1.8bn.

The concern has just announced a massive order for 1,200 buses from Algeria. Delivery of the vehicles—both touring and standard bus line models—is to begin in July this year and the order is due for completion in autumn, 1976.

On the labour front, the news is good because MAN has stated that the order will create some 400 new jobs at the Braunsceig plant.

Together with this order, there is the prospect of closer co-operation between Algeria and MAN. This is likely to secure the concern a permanent place in the Algerian market.

At the same time MAN has announced a "world-wide" export offensive for its commercial vehicles and in 1975-76, in the bus sector alone, it is planned to step up production from 1974-75's 1,700 units to 3,000 units.

ITT West German subsidiary sees difficult year in 1975

BY GUY HAWTIN

FRANKFURT, August 5.

ITT GMBH, the West German subsidiary of the international conglomerate, has reported a heavy decline in net profits for 1974. Its annual report also warns that the current year is likely to be a difficult one.

Currently the group, in common with many other companies, is being hit by higher personnel and material costs while many operations are running well below full capacity. The turnover and earnings situation varies according to the group's operations but, although the annual outcome for 1975 is obviously difficult to forecast, the report remarks that the poor market situation makes it difficult to pass on all of the cost increases.

Last year, West German ITT's turnover, excluding VAT, rose by 9.1 per cent., or DM117m., to DM1.4bn. Including VAT, consolidated turnover was up from 1973's DM1.4bn. to DM1.52bn.

At the same time there was a substantial increase in the importance of exports. As a proportion of total turnover exports rose in the course of the year from 1973's 14 per cent. to a full 22 per cent.

The year was also marked by a heavy decline in the order book, according to the annual report. At the end of the previous year, orders in hand were worth DM501m. but by December 31, 1974, the figure had fallen to DM347m.

Consolidated figures show a 10.7 per cent. decline in the group's workforce. Over the 12 months the number of employees went down by 1,784 from 16,623 to 14,839.

Total investment in 1974 reached DM57.3m. of which some DM45.9m. was invested in capital equipment. Depreciation stood at DM46.8m. and consolidated net profits amounted to DM42.5m. compared with DM54.4m. in 1973.

The annual report adds that the concern was hard hit by poor demand from the motor industry. Satisfactory results, it says, could only be achieved through energetic and well-timed counter measures.

Gebrieders to close down

By Friso Endt

ROTTERDAM, August 5.

YESTERDAY a request for bankruptcy of the Dutch shipping construction yard of Gebrieders Van Der Werf in Millingen (near the city of Arnhem) was issued by the big shipping company, Bodewes, also of Millingen.

Gebrieders Van Der Werf is a wholly-owned subsidiary of Bodewes, which itself is owned by the German Stinnes group of Dusseldorf.

Bodewes, which took over Gebr. Van Der Werf a year ago, says it cannot continue to pay Van Der Werf's debts, and is forced to close the plant, which means layoffs for 400 people.

When Bodewes took over Van Der Werf, over a year ago, there were accrued losses of Fls.5m. on the building of four chemical tankers for French customers. This loss grew last year towards Fls.6.5m. and Bodewes is afraid that losses could grow even further. It says it is forced to cut all ties with its new subsidiary in order to safeguard itself.

The 400 employees of Van Der Werf went on strike immediately after the management had told them their decision. To-day there is a meeting between the management and the trade unions, which want to fight the decision to close the plant.

As Bodewes and Van Der Werf are owned by the German Stinnes group, no annual figures are ever published by the two Dutch companies.

Arab bank buys into Novotel

By Robert Mauthner

PARIS, August 5.

FOLLOWING IN the footsteps of the high-flying Jacques Borel hotel and motorway catering organisation, the French Novotel hotel group has acquired fresh Arab capital through an agreement with the Swiss-domiciled, Arab-financed company, Finial SA.

As a first step, Finial will take an 8.9 per cent. stake in Novotel, which will increase its capital from Frs.10m. to Frs.14.25m.

The shareholdings in the group are now made up of Finial (8.9 per cent.), the former stockholders of the Mercure chain which was taken over earlier this year by Novotel (15 per cent., of which 4.3 per cent. Banque Nationale de Paris), Banque Louis Dreyfus (7.7 per cent.), Sopridi-groupe Société Privée de Gestion Financiere (7.4 per cent), Société Générale (4.7 per cent.) and J. Dubrule et F. Pelisson, who have a majority holding.

Novotel, which currently has some 110 hotels and plans to increase this number to 250 by the end of the decade, also intends to form a new company called Nodepac, with a capital of Sw.Frs.3m. for the purpose of opening about 30 hotels in various Arab countries, Brazil and Africa. Finial will have a controlling 65 per cent. stake in this new company, with the remaining 35 per cent. held by Novotel.

Philips drop in production

By Friso Endt

ROTTERDAM, August 5.

PRODUCTION of Philips (Eindhoven) dropped by 6 per cent. during the first half of this year. And if this trend continues during the second half of the year, production for 1975 as a whole will be down 14 per cent.

This was reported to the Philips workers' council by the deputy director of Philips' management bureau Mr. P. J. A. de Groot and published in the Philips publication Philips Koerier.

Mr. de Groot said that the results of the production cuts in the Netherlands are about the same as at Philips plants all over the world except in the U.S. But he said that there are no plans for any further cuts in production.

Of a total of 92,500 people employed by Philips in the Netherlands about 6,700 are now affected by short-time working.

Renault challenges Ford supremacy in Belgium

BY DAVID CURRY

BRUSSELS, Aug. 5.

FORD'S 14 year-long supremacy in the Belgian car market is under challenge from the French car manufacturer Renault. In the first half of the year Ford took 10.5 per cent. of sales with just under 20,751 vehicles retailed, while Renault's sales of 18,822 cars gave it 9.5 per cent. of the market.

At the same point, last year, Ford had sold nearly 22,500 cars to take 11.4 per cent. of total sales while Renault had 10.6 per cent. with 20,760 cars disposed of.

General Motors has seen its performance decline. In the first six months of last year it took 10.8 per cent. of the market with 21,300 sales but over the same period of this year its sales of 16,755 cars gave it only 8.45 per cent. of the market.

Belgium, with no car manufacturer of its own, is a very competitive market with a strong demand for luxury vehicles and for "optional extras" on cars.

Ford is confident that it will beat off the Renault challenge. It points out that the new Escort has just begun to make an impact on the market and that its popularity, and the increasing pace of sales, should see the company safely home for its fifteenth consecutive year in the No. 1 spot. The company supplies the Taunus (Cortina) from its Belgian plant but imports the Escort, Capri and Granada from Germany. Renault also has some local assembly units and it is understood that the smaller cars in its range are providing the cutting edge to its Belgian penetration.

Toyota, which has been campaigning energetically in Belgium—Toyotas all carry the legend, "my Toyota is fantastic," in English, stuck to the rear window—has maintained the market share it built up last year. It sold nearly 14,900 cars in the first six months of last year to give it a 7.5 per cent. market share and in the same period of 1975 has sold very slightly fewer vehicles to maintain market share. Volkswagen has also turned in a repeat performance over the two periods with around 16,500 sales, accounting for 8.4 per cent. of the market.

British Leyland has moved up from 5,990 sales in the January-June period of 1974 to just under 7,000 sales in the same period of this year to capture 3.5 per cent. of total sales. Renault was the only one of the leading group of manufacturers to increase its sales in 1974 over 1973. It improved its total from 32,563 (9.3 per cent.) to 35,851 (10.5 per cent.). Ford itself slipped from 43,365 in 1973 to 39,448 last year, while General Motors was down from 38,550 to 35,149 and Volkswagen from 32,222 to 28,443. Leyland improved its position from 10,059 to 10,913.

Exxon sets itself up in Brussels

BY ADRIAN HAMILTON

EXXON NUCLEAR COMPANY, which handles the nuclear fuel products and services business of the giant Exxon oil group, has now established offices in Brussels to develop the European market.

The office is the first to be set up by Exxon Nuclear International, a newly-established subsidiary of Exxon Nuclear Company, and will provide support services to the parent company located in Bellevue, Washington, U.S. as well as developing business related to the nuclear industry in Western Europe.

Exxon, like other major oil companies, has taken an increasingly active interest in the nuclear field over the last few years, concentrating largely on the fuel side through the supply of uranium, the provision of engineering, design and fabrication services of uranium oxide and plutonium oxide fuel assemblies and the development of uranium enrichment techniques based on the centrifuge design.

The company already has four contracts for fuel fabrication services in Europe, three in Germany and one in Sweden, and it is this side of the business which it particularly hopes to expand in the rapidly growing European market.

Other News

Statfjord development costs

● Development of the Statfjord oil and natural gas field in the Norwegian sector of the North Sea is expected to cost between 15 and 20bn. Crowns.

This is a preliminary calculation made by Statoil, the state oil company, which has not so far submitted any final estimates to the government.

The development cost is inflated by the expense of laying pipelines, which are expected to be in operation in 1979 or 1980, across the 300 metres deep Norwegian trench to the island of Sotra, off Bergen, regarded as the best landing site.

● Federal-Mogul plans to close its plant in Namur, Belgium because the plant "has incurred substantial losses." The plant operated by a subsidiary Federal-Mogul Belgique SA employs 129 workers. The company said a $2m. charge will be made against its 1975 third quarter earnings to cover estimated costs related to the closing.

● Shimazu Seisakusho said it will soon set up a wholly-owned subsidiary in the U.S. to assemble and sell gas chromatographs. The new concern, Shimazu Scientific Instruments, will be capitalised at $20,000. It is expected to sell Y300m. worth of gas chromatographs during the first year of operation. The subsidiary will be located in Maryland.

● Sumitomo Metal Industries, a major steel producer, said it has reached an agreement with Deutsche Bank under which the two companies will hold each others' shares. The agreement does not provide for any particular amount of mutual investment, it added. At present, Deutsche Bank already holds about 1m. Sumitomo Metal shares.

Sumitomo officials said the agreement, which is typical of corporate practices in Japan, is aimed at strengthening the relationship between the German bank and Sumitomo.

● Nippon Columbia said it will withdraw from colour TV production as revenue from this division has declined heavily as a result of severe competition. The company which belongs to the Hitachi group, made more than 10,000 sets a month at the peak in 1972, but production has declined to 3,500.

More loans needed by Pertamina

TOKYO, Aug. 5.

A JAPANESE consortium of five industrial firms was asked by the Indonesian State oil firm, Pertamina, to supply an additional loan of $480m. for its project to build a natural gas liquefaction plant in Indonesia, a spokesman for the group said.

The spokesman for Japan Indonesia LNG said the company is studying the Indonesian request.

The loan would be in addition to the $898m. the Japanese group has committed to grant on top of a $200m. Japanese Government loan already pledged by Japan. It would be used to cover a rise in the cost of materials and equipment, he said.

The consortium, including Kansai Electric Power and Nippon Steel, has in this connection contracted with Pertamina to import Indonesian LNG at an annual rate of 7.5m. tonnes over 20 years from 1977.

Pertamina and two U.S. concerns—Mobil Oil and the Huffco Group—are developing natural gas reserves in North Sumatra and East Kalimantan, Borneo, to supply natural gas to the U.S. and Japan.

Reuter

Earnings drop seen at Showa Denko

TOKYO, August 5.

SHOWA DENKO said it expects second half 1975 net profits of around Y1.5bn. compared with Y3.9bn. in the same 1974 period.

Sales are expected to rise slightly to around Y175bn. (Y166bn.).

It earlier reported a sharp fall in first half net profits to Y527m. (Y2.2bn.) on lower sales of Y158bn. (Y165bn.). It attributed this to higher production costs, due to a 30 per cent. output cut forced by slow sales in the depressed domestic market, and higher prices for imported raw materials.

Mexico loan

LATEST Mexican financing in the Euromarket is $150m. for Nacional Financiera (Nafinsa). The maturity is five years and spread 1½ per cent. Lead manager is Manufacturers Hanover.

Next issue on the Swiss franc foreign bond market will be Sw.Frs.80m. for Thyssen Investment under guarantee of the parent company August Thyssen Huette. Coupon will be 7¾ per cent. and issue price 99½.

Company Results

Dyno Industrier sales growth

● Dyno Industrier, Norwegian producers of explosives, chemicals, and plastics, and importers of earth-moving equipment, report total sales in the first six months of this year at Kr.439m.—Kr.24.4m. more than in the same period last year. Large rises in sales of explosives and earth-moving equipment more than offset declines in sales of chemicals and plastics.

● Tabacofina announced a net dividend of B.Frs.90 per share for its fiscal year ended March 31, compared with B.Frs.135 paid for the preceding fiscal period, which spanned 15 months, and B.Frs.110 per share paid annually between 1969 and 1972. The Belgian tobacco company is an affiliate of Martin Brinkmann, of West Germany, which, in turn, is controlled by the Rembrandt group of South Africa.

Consolidated net profit was B.Frs.205m. for the last fiscal year. In the preceding 15-month fiscal period, consolidated net profit had been B.Frs.314.59m. Sales, including tobacco taxes, totalled B.Frs.20.6bn. in the March fiscal year. For the 15-month period, the group had reported sales of B.Frs.23.3bn.

● Cie Francaise des Ferrailles (CFF), the French scrap metal concern, reported net earnings for the first half of the fiscal year ending September 30, of Frs.6.983m., a drop of 63 per cent. from the Frs.18.997m. recorded during the same period a year ago. The company attributed the fall in profits to steel and iron prices, as well as to a reduction in demand for scrap metal.

● La Redoute a Roubaix three months net turnover to end May totalled Frs.448m. (Frs.422m.).

● DBA a nine months net turnover to end May rose to Frs.791m. (719m.).

● Union de Credit pour le Batiment first half net turnover rose to Frs.1.231bn. (1.063bn.).

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
STRAIGHTS		
Amax 8½pc 1986	99½	100½
Ashland 8pc 1987	90	91
Austraswiss 8pc 1987	89	90
BFCE 9pc 1989	98	99
Borregaard 8½pc 1989	92	93
Carrier 8pc 1987	89½	90½
Conoco 8pc 1988	96	97
Consd. Foods 7½pc 1991	84	85
Cutler Hammer 8pc 1987	90½	91½
EIB 9½pc 1985	99½	100½
Esso 8pc 1986 Nov.	98½	99½
General Cable 8½pc 1987	88	89
General Motors 8½pc 1985	102	103
GTE 8½pc 1986	97	98
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 9pc 1989	89½	90½
Prov. of Quebec 7½pc 1988	85½	87½
Quebec Hydro 8½pc 1988	85	86
Queensland 8½pc 1987	88	89
Scanraff 8½pc 1989	96	97
Shell 8pc 1986	97	98
Stand. Oil (Inc.) 8½pc 1980	99	100
Tenneco 7½pc 1987	87	88
Transocean 8pc 1988	87	88
TRW 8½pc 1986	96½	97½
Utah 8pc 1987	91	92
Volvo 9½pc 1985	99	100
NOTES		
Air France 9½pc 1982	100½	101½
Aust. Ind. Dev. 10½pc 1981	102	103
Barclays 7½pc 1978	95½	97½
Cie Ntl. du Rhone 10pc '82	101½	102½
Du Pont 7½pc 1978	100	101
Esso 7½pc 1976	99½	100½
General Motors 8½pc 1976	100½	101½
Marubeni 9½pc 1982	99	100
Nippon Fudosan 10½pc 1981	102	103
Skand. Enskilda 10½pc 1981	103	104
Tenneco 7½pc 1979	98	99
Tokyo Curacao 10½pc 1981	101½	102½

Source: White Weld Securities.

	Bid	Offer
CONVERTIBLES		
American Express 4½pc '87	85	87
Ashland 5pc 1988	87	89
Beatrice Foods 4½pc 1992	82	84
Beatrice Foods 4½pc 1992	90	92
Borden 5pc 1992	87	89
Broadway Hale 4½pc 1987	74	76
Canon Camera 7½pc 1989	87	89
Carnation 4pc 1987	85	87
Chevron 5pc 1988	97	99
Dart 4½pc 1987	85	87
Eastman Kodak 4½pc 1988	112	114
Economic Labs. 4½pc 1987	83	85
Eidal 7½pc 1989	91	93
Ford 6pc 1986	85	87
Ford 5pc 1988	73	75
Fuji 6½pc 1985	104	
General Electric 4½pc 1987	83	85
Gillette 4½pc 1987	75	77
Gould 5pc 1987	90	92
Halliburton 4½pc 1987	125	127
Harris 5pc 1992	66	68
Hitachi 6½pc 1984	100	
Honeywell 6pc 1986	77	79
ITT 4½pc 1987	67	69
Komatsu 7½pc 1990	104	105½
J. Ray McDermott 4½pc '87	144	146
Mitsui 6½pc 1990	138	
J. P. Morgan 4½pc 1987	109	111
Motorola 4½pc 1983	112	116
Owens Illinois 4½pc 1987	87	89
J. C. Penney 4½pc 1987	90	92
Pioneer 6½pc 1989	125	130
Rand Selection 6½pc 1986	95	
Rank 4½pc 1993	41	43
Revlon 4½pc 1987	96	98
Sperry Rand 4½pc 1987	94	96
Squibb 4½pc 1987	85	87
Toshiba 6½pc 1990	100½	101½
Union Carbide 4½pc 1982	100	102
Warner Lambert 4½pc 1987	92	94
Warner Lambert 4½pc 1988	78	80
Xerox 5pc 1988	74	76

Source: Kidder, Peabody Securities.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Down another 7.9 after brief rally

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 5.

FURTHER SHARP losses were recorded on Wall Street to-day, following the collapse of an uninspired mid-season rally attempt.

After recovering 4.31 to 822.36 at noon, the Dow Jones Industrial Average dipped to 810.15 for a net fall of another 7.90. The NYSE All Common Index further declined 53 cents to $46.09, while *losses outpaced gains* by a near four-to-one majority. Trading volume expanded 2.85m. shares to 15.47m.

The short-lived upswing was attributed to a softening in short-term interest rates, which however, soon began to firm again.

Analysts also attributed renewed selling to indications that inflation will resume its steep upward spiral of last year.

The Government's report on the July Wholesale Price Index (a closely watched inflation barometer), scheduled to be released Thursday, was expected to show a sharp rise.

In addition, inflation watchers received mode bad news to-day when *Armco Steel* announced it was raising flat rolled steel prices 9 per cent.

U.S. Steel and Bethlehem Steel, the two largest producers, had no comment on Armco's action.

Armco Steel shed $¾ to $27⅞.

Motors eased after the industry reported *sharply lower late July* car sales.

St. Joe Minerals firmed $1½ to $32—it agreed in principle to acquire Austral Oil through a tax-free exchange of Common stock.

IBM declined $3⅜ to $184⅜. Burroughs $2¼ to $90 and Eastman *Kodak $2 to $92¼*.

Avon Products were off $2 to $38⅞. Schlumberger $2¼ to $76 and Merck $3 to $70⅞.

Combustion Engineering were firm. On Monday, *one of its units* won a $10m. contract to make air-cooled turbine exhausts condensers for use in the Soviet Union.

Studebaker-Worthington finished unchanged at $38, while Pasco, controlled by SW, dipped $⅞ to $37⅞, and said it adopted a previously announced plan of liquidation.

United Gas Pipe Line tacked on $⅞ at $11⅞ on sharply higher second quarter net.

American Ship Building fell another $1 to $9⅞ on third quarter earnings from continuing operations down by 73 per cent. from a year earlier while sales gained by 25 per cent.

In Savings and Loan Associations, First Charter Financial dipped $1 to $10⅞, Financial Federation $⅞ to $9⅞, Great Western Financial $⅞ to $13⅞ and Imperial Corp. of America $⅞ to $8⅞.

Savings flows into U.S. Thrift institutions abruptly slowed to a crawl in July after months of record gains, according to interviews with key executives in the industry.

The American SE Market Value Index dropped 1.35 to 87.33, with declines outnumbering advances by 511 to 131.

OTHER MARKETS

Canada lower

Canadian Stock Markets also moved to lower levels in light *trading yesterday*.

The Western Oils Index dropped 3.60 to 182.18, Industrials lost 1.62 to 187.50, Base Metals 0.74 to 77.57, Utilities 1.15 to 128.63, Banks 2.45 to 269.07, Papers 0.70 to 113.60. Only Golds moved against the general trend, rising 0.71 to 381.61.

PARIS—Mixed in very quiet trading in the absence of any encouraging factors.

Metals, Portfolios and Chemicals were slightly firmer, Banks were steady, while other sectors followed an iregular trend.

Foreign stocks were subdued with Americans, *Golds, Coppers* and Oils falling back. German and Dutch issues were comparatively firm.

AMSTERDAM—Generally lower in continued very quiet conditions, with sentiment depressed *by continued weakness on Wall* Street.

Algemene Bank Nederland were lifted Fls.8.30 to 348.50.

BRUSSELS—Mostly lower in *continued slow trading*.

Steels lost ground. Arbed were off Frs.30 to 4,000. Cockerill shed Frs.10 to 1,050 after reporting a 25 per cent. fall in steel output in *the first seven months of this year*.

Tessenderloo were down Frs.35 to 1,500 in lower Chemicals.

In reduced Holdings, Mosane slipped Frs.10 to 718. Oils were *mostly lower. Electrical and Utility* shares were mixed to lower.

Among Internationals, U.S. stocks declined. General Motors were off Frs.30 to 2,070, IBM Frs.70 to 7,630, ITT Frs.10 to 890. Westinghouse Frs.28 to 686, Union Carbide Frs.35 to 2,270 and Boeing Frs.26 to 1,002.

Modest declines were registered *in German, Dutch, French and* Zairean sectors. South African Gold Mines eased.

GERMANY—Narrowly mixed, with small losses predominating.

In Motors, VW gained Dm.0.50 to 112.60, but BMW were down Dm.5 to 230 while Daimler-Benz rose Dm.3 to 314. In Banks Deutsche Commerzbank put on Dm.0.50 to 213.50.

Among Chemicals, Hoechst at *Dm.133 and Bayer* at Dm.117 were each up Dm.1. BASF rose Dm.0.70 to 142.70.

Among Steels Thyssen gained Dm.0.50 to 84.

On the Bond Market, *Foreign* Mark Loans were steady, but Public Loans were easier.

SWITZERLAND—Markets edged lower, with minimal buying interest and small selling.

Major Banks lost ground over *a broad front. In otherwise easier* Insurances Zuerich Bearer firmed.

Nestle continued to drift lower.

State Bonds were quietly steady.

In a quiet Foreign sector, *Dollar stocks were slightly easier.* Dutch Internationals were barely steady, while Germans were narrowly mixed.

OSLO—Generally quiet.

VIENNA—Quietly steady.

COPENHAGEN — Mixed to *higher in moderate dealings.*

MILAN—Mixed with a majority of small gains.

Bonds were slightly weaker.

HONG KONG—Lower in increased trading.

Hong Kong Bank were down 50 cents to $HK14.30, Hong Kong *Land, 30 cents to 8.20, Hutchinson* 10 cents to 1.75, Jardines 80 cents to 20.90, Hong Kong Electric 12½ cents to 3.475, China Light 30 cents to 14.50 and Hong Kong and Kowloon Wharf 40 cents to 10.60.

TOKYO—Easier on selling prompted by the overnight de*cline on Wall Street, a sharp fall in Japanese exports* in July and weakness in the yen in terms of the U.S. dollar. Turnover 90m. (same) shares.

"High-priced" speculative shares met profit-taking and liquidation.

Light Electricals generally lost ground. Sony fell Y100 to Y3,300, Pioneer declined Y30 to Y1,470, and Matsushita Electric Industrial Y12 to Y497.

AUSTRALIA—Markets closed mixed in listless trading ahead of the Budget.

BHP rose 2 cents to $A7.04, as did CSR to $A3.98.

Amatil shed 4 cents to $A1.50 and ANZ Bank slipped another 12 cents to $A5.36.

Among Mines, Pancontinental fell 30 cents to $A5.30 under selling pressure. BH South lost 7 cents to $A1.58 on a lower production report.

Burns Philp remained firm at $A1.80—it announced the sale of six country stores to Winns, and also plans to sell its Country Retail Division.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Aug. 5	68.31	156.79	810.15	78.67	15,470
4	68.57	157.98	818.05	79.06	12,620
1	68.64	160.40	826.50		13,320
July				79.53	
31	68.61	161.85	831.51	79.50	14,540
30	68.82	161.25	831.66	79.34	18,150
29	68.86	159.29	824.86	79.50	19,000
28	68.83	160.23	827.83	80.11	14,850
25	68.81	161.22	834.09	80.01	15,110
24	68.86	161.56	840.27	81.13	20,550
23	68.97	162.69	836.67	82.37	20,150
22	68.98	167.12	846.76	85.14	20,680
21	68.81	170.15	845.74	83.50	16,690
18	68.83	170.30	862.41	83.65	16,870
17	68.88	172.16	864.28	83.21	21,420
16	68.93	172.61	872.11	84.74	25,250
15	68.91	173.38	881.81	84.71	22,340
14	68.80	172.89	875.86	84.48	21,900
1975 High	69.92 (4/4)	174.12 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	65.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Aug. 1	July 25	Aug. 2, 1974
4.69	4.64	4.91

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Aug. 5	Aug. 4	Aug. 1	J'ly 31	J'ly 30
51.24 (15/7)	37.06 (2/1)	46.09	46.62	47.10	47.62	47.66

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,805	290	1,118	397

	Aug. 5	Aug. 4	Aug. 1	J'ly 31	J'ly 30
New Highs	10	8	7	18	11
" Lows	19	15	8	8	12

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Aug. 5	Aug. 4	Aug. 1	J'ly 31	J'ly 30
95.90 (15/7)	62.20 (2/1)	87.33	88.68	88.25	88.86	88.86
Volume (000's)		1,720	1,360	1,810	1,750	1,740

U.S. STOCK INDICES STANDARD AND POORS

		*Industrials	†Composite
Aug.	5	96.74	86.23
"	4	97.75	87.15
"	1	98.68	87.99
July	31	99.58	88.75
"	30	99.68	88.53
"	29	98.95	88.19
"	28	99.54	88.69
"	25	100.21	89.29
"	24	101.12	90.07

* 425 Industrials. † 500 Industrials, 40 Utilities, 20 Rails.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	July 31	July 24	July 17
On Dividends	7.53	7.42	7.38
On Earnings	14.15	14.25	14.08

SYDNEY ALL ORD. INDEX

Aug. 5	Aug. 1	High 1975	Low 1975
359.86	360.98	383.55 (4/6)	283.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Aug. 5	Aug. 4	High 1975	Low 1975
313.30	315.90	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ◆

Aug. 5	Aug. 1	High 1975	Low 1975
294.88	305.55	341.57 (9/6)	160.42 (9/1)

SINGAPORE INDEX §

Aug. 5	Aug. 4	High 1975	Low 1975
235.18	235.05	268.69 (11/3)	153.26 (8/1)

EUROPE

	Aug. 5	Previous	1975 High	1975 Low
Belg'm (a)	108.35	108.63	111.81 (15/6)	89.07 (2/1)
Denm'k (b)	—	81.84	82.50 (13/6)	73.06 (13/1)
France (d)	67.0	67.7	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	709.7	711.9	726.1 (16/4)	575.5 (2/1)
Holland (f)	100.1	100.5	107.8 (6/6)	85.8 (2/1)
Italy (g)	81.40	81.33	106.86 (21/2)	81.33 (4/8)
Spain (h)	98.43	97.72	110.96 (22/4)	95.80 (4/7)
Sweden (k)	385.44	390.42	391.44 (1/8)	310.56 (8/1)
Switz'rl'd (m)	282.8	284.7	295.1 (6/5)	208.5 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Banca Commerciale Italian average all quoted shares 1972=100. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (n) Unavailable. ◆ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. ‡ Adjusted.

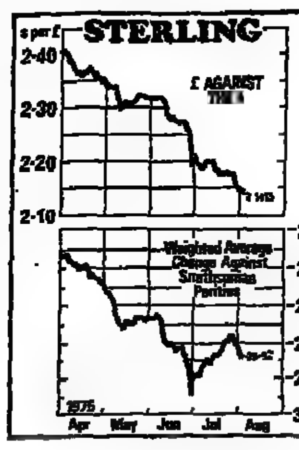
$ easier

The U.S. dollar recorded small *losses yesterday against major* currencies in a foreign exchange market that saw thin and erratic trading. The dollar was affected by the U.S. wholesale price index, expected later in the week, that could indicate an increase in the *rate of inflation*.

The dollar's trade-weighted average *depreciation* against 14 units since the Washington Agreement as calculated by Morgan Guaranty of New York on noon rates, eased to 3.05 per cent. against 2.92 per cent. Sterling's depreciation on a similar basis *widened to 32.51 per cent. from* the previous 32.09 per cent.

Sterling opened at $2.1400-2.1410 in terms of the dollar and drifted down to $2.1355-2.1365 during the day. The announcement of a rise in the base lending rates of major *British banks helped the pound to* recover at the close to $2.1410-2.1420 from the previous $2.1415-2.1425.

The pound's trade-weighted average depreciation against 10 major currencies since the *Washington Currency Agreement* (as calculated by the Bank of England) eased to 26.9 per cent. *at the* close compared with the previous 26.6 per cent. The depreciation at noon stood at 26.8 per cent. which was unchanged from the morning. Gold closed *75 cents easier at $165¼-166¼ from* the previous $166-167 in a quiet day's trading. The krugerrand for domestic delivery closed at $173-175 (£80¾-81¾) against $174-176 (£81¼-82¼).



GOLD MARKET

	Aug. 5 1975	Aug. 4 1975
Gold Bullion (a fine ounce)		
Close	$165¼-166¼	$166-167
Opening	$166-167	$166-167
Morning fix'g	$166.25 (£77.796)	$166.35 (£77.817)
Afternoon fix'g	$166.05 (£77.539)	$166.50 (£77.767)
Gold coins domestically		
Krugerrand	$173-175 (£80¾-81¾)	$174-176 (£81¼-82¼)
New sov'r'gns	$52-54 (£24¼-25¼)	$53½-55 (£25-25¾)
Old sov'r'gns	$52-54 (£24¼-25¼)	$53½-55 (£25-25¾)
Gold coins (int'rn'l'n'lly)		
Krugerrand	$170-172 (£79¼-80¼)	$171¼-173¼ (£79½-80½)
New sov'r'gns	$50½-51¼ (£23½-24)	$50½-51 (£23½-24)
Old Sov're'gns	$50½-51¼ (£23½-24)	$50½-51 (£23½-24)
$ 20 Eagles	$251-254	$250-255
$ 10 Eagles	$118-121	$118-122
$ 5 Eagles	$85-88	$86-90

FOREIGN EXCHANGES

Aug. 5 1975	Bank Rate %	Market Rates Day's Spread	Close
New York	6	2.1355-2.1425	2.1410-2.1420
Montreal	8¼	2.2015-2.2106	2.2075-2.2085
Amsterdam	6	5.62-5.66	5.62½-5.63½
Brussels	†6½	80.85-81.85	81.20-81.40
Copenh'gen	8	12.61-12.65	12.61-12.62
Frankfurt	4½	5.45-5.49	5.45½-5.46½
Lisbon	6½	56.00-56.50	56.20-56.30
Madrid	†7	124.50-125.09	124.65-124.85
Milan	7	1,422-1,427	1,425-1,427

EXCHANGE CROSS-RATES

Aug. 5	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.5530-45	58.72-80	6.72-73	0.455-475	96.99-97.12	95.49-.63
N. York	39.20-23	—	23.05-07	2.630-635	2.1380-1390	38.10-14	37.48-51
Paris	169.8-70.3	4.3425-3575	—	11.425-460	9.2975-325	165.0-.40	162.2-.60
Brussels	14.78-88	37.88-93	8.67-72	—	80.96-81.31	14.34-48	14.11-20
London	5.454-462	2.141-142	9.29-30	61.20-40	—	5.62½-63½	6.71-72
Am'srdam	103.0-06	2.6372-97	60.605-505	6.9275-9325	5.6375-85	—	[illegible]
Zurich	104.46-65	2.6650-75	61.40-43	7.025-.375	[illegible]	[illegible]	—

U.S. $ in Montreal U.S.$=103.12-20 Canadian cents.

Canadian $ in New York. $CI=96.95-96.97. U.S. cents. U.S. $ in Milan 665.60.

Sterling in Milan 1424.65.

EURO-CURRENCY INTEREST RATES*

Aug. 5 1975	Sterling	U.S. Dollar	Canadian Dollar
†Short term	8-9	5⅞-6⅛	6¼-6½
7 days notice	9½-10½	6-6¼	6¼-7¼
Month	10¾-11⅛	6¼-6⅜	7¼-7½
Three month	11¼-11⅝	7-7½	7¼-8
Six months	12⅛-12½	7½-8¼	8¼-8¾
One year	12¾-13⅛	8¼-8¾	8⅞-9⅛

Euro-French deposit rate short-term, 7-7½ per cent.; one-month 8¾-9¼ per cent.; three months 8¾-9¼ per cent.; one year 10¼-10½ per cent.

Longer-term Eurodollar deposits: two years 8¾-9¼ per cent.; four years 9¼-9¾ per cent.; five years 9¼-9¾ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6¼-6½ per cent.; three months 7¼-7½ per cent.; six months 7⅞-8⅛ per cent.; one year 8¼-8½ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

OVERSEAS SHARE INFORMATION

NEW YORK

Investment premium based on $2.60 per £1—99½% (99¾%)

CANADA

GERMANY ◆

AMSTERDAM

AUSTRALIA

VIENNA

JOHANNESBURG

TOKYO ¶

PARIS

BRUSSELS

STOCKHOLM

OSLO ◆

MILAN

SWITZERLAND ◆

SPAIN ▼

COPENHAGEN

FARMING AND RAW MATERIALS

Heat wave hits French crops

By Robert Mauthner

PARIS, August 5.

THE PRESENT heat-wave may produce one of the most memorable red wine vintages since the Second World War, but it has been a disaster for French grain and dairy farmers.

With temperatures even in northern French regions in the upper 30s—35C in Paris yesterday—forecasts for this year's grain harvest are becoming more and more pessimistic.

Two departments in Brittany and Normandy, normally among the wettest parts of France, have been declared disaster areas because of the drought and water rationing has been introduced in several areas.

It has become clear already that the grain harvest will be much lower than last year—13m. tons compared with 16m. tons for wheat and 5m. tons as against 6m. for barley, according to the latest estimates.

In the case of maize, the effect of the drought is expected to be even more serious. In spite of the planting of an additional 250,000 hectares this year, maize production is not expected to exceed last year's very disappointing level of some 7m. tons.

EEC may defer Soviet grain sales decision

PARIS, August 5.

THE EEC COMMISSION is not expected to consider sales of grain to the USSR until September at the earliest, say trade sources.

It is likely to wait until there are clearer indications of the size of this year's crop, which is threatened by dry weather, before taking any decision on selling large amounts of grain to any overseas country.

The question is expected to be discussed at the September meeting of the EEC Council of Ministers, by which time statistics may be available, the sources say.

Individual negotiations between grain dealers and the USSR may well go on in the meantime, but no EEC approval for deals is likely.

Reuter

COCOA STUDIES

ACCRA, August 5.

The Cocoa Affairs Ministry said it would start immediate cocoa projects studies in west and upper central Ghana, if the World Bank agreed to help with finance.

The projects would be modelled on the Eastern Ghana Cocoa Rehabilitation Scheme.

Reuter

New warning on U.K. farming cutbacks

BY PETER BULLEN

A REPORT on the "serious situation" in U.K. agriculture will be considered by the National Economic Development Council to-day.

It has been compiled by the Agriculture "Little Neddy" to draw attention to the recent downturn in investment intentions in farming and in forecasts of reduced net output.

"The Agriculture EDC is concerned that these developments should not jeopardise future expansion of the industry envisaged in the recent Government White Paper 'Food from our own Resources,'" it says.

Investment in plant and machinery, at constant prices, rose by only 2 per cent. last year compared with much greater increases in the previous two years. Moreover, investment in buildings declined by 3 per cent., compared with rises of 8 per cent. in both 1972 and 1973.

The EDC says it is particularly concerned with future intentions to invest and draws attention to the Country Landowners' Association's survey published last week, which showed that the owners of more than 1m. acres of land had postponed, curtailed or abandoned 60 per cent. of their investment plans.

At the same time as the CLA published its survey, the National Farmers' Union issued a warning that home food production could fall by 8 to 10 per cent. this year because of the cutback in agriculture.

Since then the Ministry of Agriculture's official farm census figures have been issued, confirming the forecasts of a big cutback in the national dairy herd, other declines in the livestock population and a drop in crop acreages.

The Agriculture "Little Neddy" also refers to NFU forecasts of the fall in agricultural output and points out that, if the rundown in investment intentions becomes a fact and any reduction in net output is not quickly reversed, expansion will take longer to achieve and could be more costly.

Import saving

It would be more difficult for Britain's agricultural industry to remain one of the most efficient in the EEC and would hinder its contribution towards solving the nation's economic problems, particularly on import saving.

However, the Ministry of Agriculture issued a statement yesterday, designed to put the comment's about agricultural investment and retrenchment into perspective.

It pointed out that, since the Agriculture EDC had discussed the issues, the Government had announced increases in U.K. farmers' support prices following the adjustment of the EEC's "green pound."

A Ministry spokesman said: "The Ministry shares the EDC's concern about any possible fall in output and investment intentions this year. The latest information on farmers' applications under the capital grant schemes, however, indicate some increase in applications in the first half of 1975, compared with last year."

Lower harvest fear

BY PETER BULLEN

THE U.K. GRAIN harvest this year may be about 2m. tons below last year's record of 16m. tons, if the first production estimate of the Home Grown Cereals Authority proves correct.

The estimate results from a purely statistical exercise in which the official June farm census cereals acreage figures are multiplied by the likely yields, based on actual yields over the past 12 years.

The result for a "normal" year gave a total 14.9m. tons. In view of this year's difficult growing conditions, however, the yields were reduced by 10 per cent., which gave a final figure of 13.9m. tons. This is made up of 4.48m. tons of wheat, 8.56m. tons of barley and 0.8m. tons of oats.

In its weekly crop report, the Ministry of Agriculture says the weather has been excellent for harvesting but is causing continuing concern about fodder supplies and the growth of some root crops.

● Because of the fodder shortage, the Ministry issued a special appeal to farmers yesterday not to burn straw this year unless it is diseased or contains harmful weeds.

LME copper prices ease

By Our Commodities Staff

AFTER A steady opening on the London Metal Exchange yesterday copper prices eased in early dealings in the face of back-pricing sales and the firmer tone of sterling. There was also some profit-taking on the morning kerb. After the New York Comex had opened sharply lower, however, the London market resisted the temptation to follow and cash copper ended the day £8.75 lower, at £596.75 a tonne.

Tin prices moved up initially, following an $M8 rise in the Penang price. Prices then declined in sympathy with copper but no offerings were forthcoming at the lower levels and values soon bounced up again. Cash tin closed at £3,143 a tonne, up £8 on the day, while the three-month quotation gained £14.5 to £3,173 a tonne.

The lead and zinc markets were very quiet with cash lead ending £1 down, at £172.5 a tonne, and cash zinc £2.75 lower, at £330.75 a tonne.

From Paris, meanwhile, it was reported that production of lead and zinc in OECD European countries declined in June. Provisional figures show that lead output was 78,676 tonnes (against 90,042 in May) and zinc output 104,854 tonnes (against 118,175). The figures are respectively 19 per cent. and 21 per cent. down on June 1974.

Wool export duties move by Argentina

BUENOS AIRES, August 5.

EXPORT DUTIES formerly levied on wool shipments in Argentina have been scrapped, or reduced, in an effort to reduce a large exportable surplus estimated at around 100,000 tonnes.

A Ministry of Economy decree has removed a 20 per cent. export duty on all types of Patagonia wool. At the same time it has scrapped export duties of between 15 and 20 per cent. for scoured, carbonised, blousse and waste wool.

The duty for scoured and slipe wool from areas outside Patagonia was reduced from 30 to 10 per cent.

The measure was adopted in view of the "deteriorating situation" which faces the wool industry and in an effort "to halt the decline seen in sheep stocks and wool production in the last few years," the decree says.

"Trade sources cautiously welcomed the Government move, saying that it would boost exports, but that the total elimination of duties and perhaps a higher exchange rate was necessary for it to be fully successful.

Reuter

BRAZIL AGRICULTURE

Back to the drawing board

BY DAVID WHITE

RIO DE JANEIRO, August 5.

EVEN IN Brazilian supermarkets, housewives are complaining about the price of coffee. This year's swift spell of European-style winter in the south of the country has upset prospects for the supply of coffee—and much else besides—for several years to come.

The frosts, more severe than any since 1918, have almost entirely wiped out the next harvest in the main coffee-growing state of Parana, reaching as far north as the new planting areas of Minas Grais and Mato Grosso. Snow fell in places where it had never been recorded before.

In Aracatuba in the northwest of Sao Paulo state, cattle ranchers scan the horizon for signs of the fires that have swept up through Parana in the wake of the frosts.

Cattle have to feed on dwindling supplies of silage, and most of the small market-garden crops have been destroyed. Further south, the dried-up pasture land gives way to the burned brown colour of ruined coffee trees.

Crop forecasts

The winter, what with floods in the northeast and frost and fire in the south, has delivered a body-blow to Brazil's agricultural plans. Last year farm production increased by 8.5 per cent., and a target of 7 per cent. a year was set in the five-year development plan starting this year.

Since this now looks virtually impossible, the Government is taking its marketing policy back to the drawing board. Sr. Alysson Paulinelli, Brazil's youthful Agriculture Minister, warned that there would be "profound alterations in crop forecasts, in the supply programme and in the commercialisation of farm products abroad."

Financing arrangements to compensate coffee growers are due to be completed later this week. Minimum support prices have already gone up sharply from Cruzeiros 500 a bag to Cr.700, and pressure for a further increase has only been resisted out of concern for the effect this might have on consumer prices and Brazil's much-vaunted fight against inflation.

The Finance Minister, Sr. Mario Henrique Simonsen, offset the gloomy forecasts by declaring that the frosts would affect neither the Government's price policy, nor the balance of payments, since the drop in the volume of coffee exports would be met by a corresponding rise in world market prices.

The Coffee Institute (IBC) last week raised its basic export price to U.S. 80 cents a pound from 50 cents. At the same time it dropped its policy of granting substantial discounts to its bigger clients, setting prices at a fixed point between those of Central American and African coffees.

In many respects, it has not been such a tragic winter as it might seem. The IBC has shaken off the system which had brought it under constant attack in a time of depressed coffee prices, and can now go back to the negotiating table of the International Coffee Organisation, due to reconvene in London in late October, in a more confident mood. The rise in prices is expected to bring Brazil at least an extra $200m. in export revenue this year, with half the exportable crop still unsold.

The growers who lose out the most will be those who have already got rid of this year's coffee, and those who replanted over the past couple of years and will now have to replant again, going perhaps five years without any harvest. But most farmers will recoup 80 per cent. of their costs under the proagra insurance scheme introduced earlier this year and will receive easy terms for the remaining 20 per cent.

This year's coffee crop, which was already mostly harvested, is unlikely to fall much short of the original estimate of 20m. 60-kilo bags, and the record soya harvest was also spared. But the frost hit much of the wheat which was sown on the same ground.

About 40 per cent. of Parana's wheat production has been lost, and although wheat sown later on in the far south of the country may actually have been favoured by the cold spell, Brazil is now unlikely to pass last year's output of 2.7m. tons. Sr. Paulinelli's hope of soon making up the 1.5m.-ton shortfall in domestic supply now seems remote.

Sugar, which headed Brazil's list of export items last year with receipts of over $1.2bn., was not badly hit. The northeastern floods have affected productivity in that area, however.

The overall cost of July's brisk weather is put at over $1bn. in Sao Paulo State alone, which fared better than Parana, managing to preserve a third of next year's coffee. The bill for repairing the damage to Brazil's coffee plantations is put by experts at $600m.

There is, of course, a tendency to exaggerate the seriousness of the situation to gain the biggest possible compensation. A group of producers' associations put next year's coffee production—at least 25m. bags in a normal coffee cycle—at under 9m., which can be regarded as a minimum. The current estimate of the Brazilian Coffee Institute is around 10m. bags, while others put it at 11m.

Parana was expected to produce 12m. bags after 8.5m. this year, but will now yield between zero and 500,000. Minas Gerais, on the other hand, does not expect to lose more than 10 per cent. of its output.

Frost belt

More farmers in the south may now finish with coffee and grow soyabeans and wheat instead, while new coffee plantations are established out of the frost belt in Mato Grosso and Minas Gerais.

But state and federal authorities have two good reasons for not discouraging altogether the replanting of coffee in Sao Paulo and Parana. One is employment (about 100,000 families depend on the Parana coffee estates) and the other is Brazil's position in the world coffee market.

Official stocks now stand at 15m. bags and will not be released before next year, when Brazil will have to dig into them if it is to fulfil domestic and export commitments. This year's crop, plus the carryover of 8m. bags from the last crop, will leave a new carryover of not more than 5m. bags to add to the undersize 1976 harvest.

The winter damage will undoubtedly help Brazil's shift to more diverse and more efficient farming. But it will also make it more difficult for the country to keep its hold on the one market it has grown used to dominating.

COLOMBIA COFFEE INCOME MOVE

BOGOTA, Aug. 5.

PRESIDENT Alfonso Lopez Michelsen said Colombia's increased export earnings from expected higher world coffee prices in the next five years may be kept out of the country to prevent increased domestic inflation.

He said the national coffee fund may keep its dollar income outside Colombia, resorting to credit from the Banco de la Republica (Central Bank), only if it needed extra resources.

"The fund used to cash its dollar earnings into pesos, which increased the domestic money supply and caused inflation. Now we will exchange them as necessary to finance coffee purchases by the Colombian Coffee Growers' Federation and, in the meantime, the dollar funds will be added to the country's foreign reserves."

Reuter

South African fruit export earnings

BY JOHN STEWART

CAPE TOWN, August 5.

PRELIMINARY ESTIMATES by the South African Deciduous Fruit Board indicate that financial results of the 1974-75 export season will be considerably better than for 1973-74, when gross proceeds were R84.2m. (£54.2m.) and probably better even than 1972-73 when they were R89.3m. (£57.5m.).

Whether pay-outs to farmers—R54.9m. (£35.3m.) in 1972-73 and R43.2m. (£27.8m.) in 1973-74—will rise much, the Board is loath to say since sharply increased ocean freight and other pool costs are likely to exceed by far last year's R41.2m. (£26.5m.). The Board says that depreciation of sterling was another factor which would erode final payments to producers.

The volume of fruit shipped abroad this season is likely to be a record, and possibly even better than 1971-72.

Features of this season's export performance have been bumper pear and apple crops, exports of which are expected to be 30 per cent and 20 per cent. higher respectively, by volume compared with last season's 22,698 tons of pears and 145,687 tons of apples. On the whole, selling prices in the principal markets have been higher than in 1973-74 the Board states.

Prices obtained for apricots were 40 per cent. above those in 1973-74, but the volume shipped was 17 per cent. below the 1973-74 level of 81 tons. Realisations on peach exports were 50 per cent. higher, but the volume was 20 per cent. below the 771 tons of 1973-74.

The volume of grapes exported is expected to be about the same as last season's 27,567 tons. So far, about 60 per cent. of the table grape crop has been sold, average prices obtained being higher than last year's.

About 50 per cent. of the pear crop has been disposed of, but prices are reported to be only marginally above last season's.

The Board expects the volume of apples exported to be nearly 20 per cent. more than the 145,687 tons of 1973-74. About 33 per cent. of the export crop has been sold at prices higher than those in 1973-74.

COMMODITY MARKET REPORTS AND PRICES

BASE METAL

COPPER—Prices reacted on the London Metal Exchange on a combination of profit-taking and, in morning dealings, back-pricing which saw three months wirebars fall to £602. Easier conditions in what has become a very sensitive market persisted after lunch when Comex opened lower. London found some support buying at under £600 for three months wirebars and the market closed reasonably steady, but with prices still very much dominated by the movements in sterling. Turnover: 9,325 tonnes.

Amalgamated Metal Group reported that in the morning cash wirebars traded at £584, 83, 82.50, three months £604, 03, 02.50, 03. Cathodes: cash £571, three months £590.50. Kerbs: Wirebars: three months £602, 01, 600. Cathodes: Untraded. Afternoon: Wirebars: cash £577.50, late-Oct. £597, three months £596, 96.50. Cathodes: cash £565, three months £586.50. Kerbs: Wirebars: three months £597, 97.50. Cathodes: cash £567, 66.50.

TIN—Firmer in line with the rally in the Penang price after its recent sharp fall. Not a great deal of business was reported here, but a feature was the widening in the contango. Turnover: 455 tonnes.

Morning: Standard: cash, untraded, three months £3,170, 75, 70, 72, 75, 74. High Grade untraded. Kerbs: Standard: cash £3,145, three months £3,170. High Grade untraded. Afternoon: Standard: cash £3,142, three months £3,165, 70, 72. High Grade all untraded. Kerbs: Standard: cash £3,146, three months £3,174, 75. High Grade untraded.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	583-.5	+.75	577-.5	-8.25
3 months	602-.5	+.75	596.5-7	-7.75
Settlem'nt	583	+1	—	......
Cathodes				
Cash	571-.5	+.75	565-6	-5.5
3 months	590-.5	—.25	585-6	-5.5
Settlem'nt	571.5	+.5	—	......
U.S. Smt.	—	......	*60-63.7	......

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3147-8	+22	3142-4	+8
3 months	3173-4	+24	3172-4	+14.5
S'ment	3148	+21	—	......
Standard				
Cash	3147-8	+22	3142-4	+8
3 months	3173-4	+24	3172-4	+14.5
S'ment	3148	+21	—	......
Straits E.	$989	+8	—	......
New York	—	......	350.25	+4.0

LEAD—Eased slightly under the influence of the reaction in copper prices. Turnover: 2,725 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	172.5-3	-1⅛	172-3	-1
3 months	180-.5	-.875	179.75-80	-1⅛
S'ment	173	-1	—	......
N.Y. Spot	—	......	19.22½	......

Morning: Cash £174, 73, 72.50, three months £181.50, 81, 80. Kerbs: three months £180. Afternoon: Cash untraded. Three months £179.50, 79.75, 80. Kerbs: Untraded.

ZINC—Profit-taking, which was partly inspired by the fall in copper, left prices lower on the day despite a modest buying interest. Turnover: 3,725 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	332-.5	-.625	330.5-1	-2.75
3 months	343-.25	-.85	342.5-.5	-1.25
S'ment	332.5	+.25	—	......
Prm. West	—	......	*36½-9	......

Morning: Cash £333.50, 32.50, 33, late-Aug. £336, three months £344, 43.50, 43.25. Kerbs: All carries. Afternoon: Cash untraded, three months £342.50. Kerbs: Three months £342.50.

* Cents per pound. † On previous unofficial close. $ $M per picul.

SILVER

Silver was fixed 1.5p an ounce lower for spot delivery in the London bullion market yesterday, at 239.3p. U.S. cent equivalents of the fixing levels were: Spot 512.0c (514.4c), three-month 523.7c (524.8c), six-month 533.4c (534.0c), and 12-month 557.4c (557.8c). The metal opened at 240.3-241.3p (515-518c) and eased in quiet trading to a low for the day of 237½-239½p (508-510c) before recovering to 238½-239½p (511½-514c) at the close.

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	239.3p	-1.5	238.75p	-3.55
3 months	246.8p	-1.5	246.2p	-3.55
6 months	254.3p	-0.5	—	......
7 months	—	......	255.0p	-3.5
12 months	270.5p	-0.8	—	......

LME—Turnover 167 (299) lots of 10,000 ozs. Morning: Three months 247.5, 7.0, 6.7, 6.8, 6.7, 6.5, 6.6, 6.8, 7.3. Kerbs: Three months 247.0, 47.2, 47.0, 46.6, 47.0. Afternoon: Three months 245.5, 45.6, 45.8, 46.0, 46.3, 46.0, 46.3, 46.2. Kerbs: Three months 246.2, 6.4, 6.5, 6.8.

COCOA

Conditions were quiet and, lacking support prices, traded £20 lower before turning up slightly on modest profit-taking at the close, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No. 4 Contract			
September	595.0-8.0	-19.75	611½-582½
December	568.0-8.5	-14.75	581.0-63.0
March	563.0-4.0	-10.0	571.0-59.0
May	560.0-2.0	-10.0	568.0-59.0
July	560.0-2.0	-11.5	565.0-60.0
September	560.0-2.0	-15.0	565.0-58.0
December	560.0-72.0	-7.5	—

Sales: 1,858 (1,896) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 53.94 (53.51) U.S. cents per pound: indicator 15-day average 53.92 (53.09); 22-day average 53.58 (53.64).

FREIGHTS

DRY CARGO—Increased activity of the past few days was not maintained in the N. American grain section, although a cargo was covered from Gt. Lakes to Antwerp/Hamburg Range at $18 f.i.o. for Aug. In other directions, a cargo of maize was fixed from Mombasa to Japan at $13.75 free discharge for prompt loading and a cargo of heavy grain from River Plate to Antwerp/Hamburg Range at $14 free discharge for Aug. A cargo of agricultural products 14,300 long tons was booked from Rio Grande and Paranagua to Aquaba at $317,500 f.i.o. for Aug. Time-charters fixed a vessel of 33,893 long d.w.t. for 7 to 9 months trading at $3,000 daily delivery and a vessel of 39,919 long d.w.t. for a voyage from Colombo to the Continent at $2.25, prompt.

COFFEE

Robusta market closed irregular in quiet afternoon trading, which was a reaction from previous day's sharp rises.

Arabicas closed steady, 40 points up to 275 points down.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	767.0-68.0	-15.5	777.0-68.0
November	772.0-74.0	-12.5	780.0-70.0
January	776.0-77.0	-10.25	780.0-75.0
March	775.0-76.0	-15.25	781.0-75.0
May	778.0-80.0	-11.0	793.0-77.0
July	780.0-82.0	-10.5	794.0-78.0
Sept.	780.0-85.0	-10.5	—

Latest published ICO indicator prices, U.S. cents a pound. Colombian Mild Arabicas 101.50 (101.00). Other Mild Arabicas 94.00 (92.00). Unwashed Arabicas Santos Fours 97.75 (94.00). Robustas 76.00 (75.50). Daily average 88.82 (87.60).

ARABICA CONTRACT (in order buyer, seller, sales)—August 93.00-82.70, 2; Oct. 92.30-92.70, 20; Dec. 93.00-93.30, 4; Feb. 94.00-94.30, 42; April 95.10-95.50, 1; June 94.00-97.50, nil; August 94.00-96.50, nil. Sales 70.

RUBBER

SLIGHTLY STEADIER opening on the London physical market. Good interest throughout the day, closing on a firm note. Lewis and Peat reported a [illegible]

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

LONDON GRAIN FUTURES MARKET [illegible]

[illegible]

Levies for flours: Wheat or mixed wheat and rye—57.94 (57.94); Rye—[illegible]

HGCA—Location ex-farm spot prices: Soft milling wheat—Humberside £56.05. Feed wheat—Humberside £55.15; Gloucester £55.40. Feed barley—Humberside £51.50; Gloucester £53.50. U.K. monetary coefficient for week beginning August 11 based on HGCA calculations is expected to remain unchanged.

SUGAR

LONDON DAILY PRICES (raw sugar) higher at £200 (£195) a ton, c.i.f. for Aug./Sept. shipment. White sugar daily price was fixed at £215 (same) a ton.

Values were higher at the opening but eased as sellers found only scattered support on a scale-down basis. During the afternoon, weaker overseas advices brought further losses, but by the close profit-taking had produced a better tone, C. Czarnikow reports.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	190.55-90.75	190.50-91.00	200.00-187.5
Dec.	187.75-88.00	187.75-88.00	192.50-84.50
March	188.50-86.75	188.00-86.50	191.00-85.50
May	184.00-84.50	185.50-84.50	187.00-81.50
Aug.	182.00-82.50	181.80-82.00	185.50-79.50
Oct.	181.80-82.50	181.80-82.0	185.00-79.80
Dec.	179.00-82.50	178.50-81.00	—

Sales: 2,466 (3,834) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £228.80 (same) a long ton for home trade and £285 (£280) a long ton for export.

WOOL FUTURES

LONDON—Market firm.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
October	163.0-64.5	-0.25	—
December	167.0-70.0	......	—
March	174.0-76.0	......	—
May	176.0-79.0	+0.75	—
July	178.0-85.0	+1.75	182.0
October	183.5-86.0	+1.75	184.0
December	185.4-86.0	+0.5	—
March	186.0-90.0	+0.5	—

Sales: 54 (nil) lots of 1,500 kilos.

SYDNEY GREASY (in order buyer, seller, business)—Oct. 251.5-252.0, 253.0-252.0; Dec. 259.0-258.7, 260.0-259.0; March 263.8-263.9, 264.5-263.5; May 266.6-267.0, 267.5-266.0; July 268.0-268.5, 269.0-268.0; Oct. 269.5-270.0, 270.0-269.0; Dec. 269.5-270.0, 270.0-269.5. Sales 148.

MEAT/VEGETABLES

SMITHFIELD (pence per lb.)—Beef: Scottish killed sides 28.0 to 32.0, Eire hindquarters 35.0 to 37.0, forequarters 15.0 to 17.0.

Veal: English bobbies 10.0 to 12.0, Dutch hinds and ends 54.0 to 56.0.

Lamb: English small 26.0 to 30.0, higher quality small 32.0, medium 28.0 to 25.0, heavy 24.0 to 26.0, Scottish medium 26.0 to 28.0, heavy 24.0 to 26.0, Imported frozen—New Zealand D's 28.5 to 29.0, 2's 28.0 to 29.0, 9's 27.8 to 28.5, YLs 26.5 to 27.0.

Ewes: 12.0 to 13.0.

Pork: English, under 100 lbs 25.0 to 32.0, 100-120 lbs 25.0 to 31.0, 120-160 lbs 25.0 to 30.0, 160-180 lbs 24.0 to 29.0, 180 lbs and over 23.0 to 28.0.

MEAT COMMISSION—Average fatstock prices at representative markets on August 5: U.K.—Cattle £17.59 per live cwt (−0.43); Sheep 38.1p per lb. e.d.c.w. (−2.0); Pigs £3.96 per score liveweight (−0.24). England and Wales—Cattle numbers down 5.5 per cent., average price £17.54 (−0.78); Sheep down 5.2, 38.4p (−2.1); Pigs up 13.3, £3.97 (−0.25). Scotland—Cattle down 10.5, £18.44 (−0.32); Sheep down 52.8, 28.4p (−1.3); Pigs up 93.4, £4.15 (+0.03). Pig number comparisons should be treated with caution because ending of fatstock guarantee scheme means change in definition.

COVENT GARDEN (prices, in sterling)—Imported produce: Oranges—Brazilian: 2.10-2.20; South African: 2.35-2.90; Californian: 2.80-3.00. Grapefruit—South African: 3.00-4.30. Lemons—Italian: 5.40-5.60; South African: 5.60-6.20. Apples—South African: Granny Smith 6.60; French: cartons, Golden Delicious 20 lb 3.25; Tasmanian: Democrats 6.30, Crofton 6.40, Sturmer 6.40, Granny Smith 6.00; Western Australian: Granny Smith 6.40. Pears—Italian: per pound Williams 0.12-0.13; French: per pound Williams 0.13, Guyot per 28 lb 2.50. Bananas—Windward Islands: per 28 lb 2.70; Jamaican: 2.60. Grapes—Cypriot: per 12 lb Sultana 1.40-1.50; Italian: Regina Nietti approx. 10 lb 1.40-1.50. Peaches—Italian: per 14 trays 2.60-3.00. Plums—Spanish: Santa Rosa 1.60-2.40. Greengages—Spanish: 2.00-2.40. Tomatoes—Guernsey: 1.40; Jersey: 1.30.

English produce: Lettuces—per 12 round 1.50, cos 1.60. Cucumbers—per tray 12 1.50, 14 1.60, 16 1.70, 18 1.80. Potatoes—per 56 lb 2.70-2.90. Celery—per 20 3.00-3.20. Peas—per 28 lb 4.00. Mushrooms—per pound 0.20-0.35. Cabbages—per bag. Primo 0.60. Marrows—per 18 0.80. [illegible] White [illegible] Carrots—per 28 lb 0.60-0.70. Beetroots—per 28 lb 1.00. Tomatoes—per 12 lb 1.00-1.20. Runner Beans—per pound 0.10-0.15. Onions—per 56 lb 2.90-3.00. Apples—per pound Granadiers 0.08-0.09, Derby's 0.09.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for Aug.-Sept. shipment: BWB £195, BWC £188, BWD £181. Tossa: BTB £197, BTC £190, BTD £183. Calcutta goods easier. Quotations c. and f. U.K. for Aug. shipment: 10-oz. 40-inch £8.77, 7½-oz. £5.18. Sept. £8.80 and £5.26. Oct.-Nov. £7.05 and £5.44. "B" twills: £21.27, £21.44 and £21.61 for the respective shipment periods. Yarn and cloth prices irregular.

LONDON—Quiet. Bangladesh White "C" grade Aug.-Sept. £195. Bangladesh White "D" grade Aug.-Sept. £188. A long ton.

CALCUTTA—Steady. Indian Aug. Rs.470. Dundee Daisee Aug. Rs.425 values. A bale of 400 lbs.

COTTON

LIVERPOOL COTTON—Spot and shipment sales amounted to 480 tonnes, bringing the total for the week so far to 866 tonnes. Further strengthening of demand brought additional business in various Middle Eastern and African qualities. The call for Colombian and Latin American growths was spasmodic and delivery instructions towards the end of the year were sought, F. W. Tattersall reports.

USSR output of sunflower seed below target

WASHINGTON, August 5.

SOVIET UNION production of sunflower seed will fall within a range of 5.8m. to 6.8m. tonnes, according to the latest estimate by the U.S. Department of Agriculture (USDA).

In its latest U.S. export sales commitments report, the Department says this would be well below the Soviet's production and procurement plans for this year.

It estimates gross Soviet sunflower seed production as low as 5.8m. tonnes. This might necessitate soyabean imports of as much as 1m. tonnes. On the other hand, if the Soviet crop reached 6.8m. tonnes, it would approach the limits of Soviet processing capacity.

Weather reports from the growing areas of European USSR indicate that ripening of the crop has been 15 to 20 days earlier than usual.

PHILIPPINES COPRA EXPORTS

MANILA, August 5.

Philippines copra exports fell to 36,242 tons in July, compared with 65,910 in June and 16,488 tons in July last year, according to Coconut Authority statistics.

This brought copra exports in the first seven months of this year to 350,224 tons, compared with 137,575 in the same period of 1974.

Crude coconut oil exports in July were 56,615 tons, against 50,899 in June and 35,229 in July, 1974. In January to July, coconut oil exports totalled 308,104 tons, up from 227,766 in the year-ago period.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 5 1975	+ or —	Month ago
Metals			
Aluminium (w)	£396	......	£388
Free Market cif	£555-545	......	£505-515
Copper‡			
Cash Wire Bars (w)	£577.25	-8.25	£541.75
3 month do. do. (w)	£596.75	-8.75	£560.25
Cash Cathode (w)	£565.5	-8.5	£529.5
3 months do. (w)	£585.5	-5.5	£548
Gold ... Troy oz.	$165.75	-0.75	$165
Lead Cash (w)	£172.5	-1.0	£158
3 months (w)	£179.875	-1.125	£164.75
Nickel (w)	£1,900	......	£1,955
Free market cif (lb)	$1.75-.90	......	$1.85-.95
Platinum (b) troy oz.	£79-85½	......	£72-78½
Free Market	£79.4	-0.7	£69.7
Quicksilver (76lbs)	$112-118	......	$112-118
Silver Troy oz.	239.3p	-1.5	205.7p
3 months	246.8p	-1.3	211p
Tin Cash (w) ‡	£3,143	+8.0	£3,088
3 months (w)	£3,173	+14.5	£3,062
Wolfram 22.04lb. cif	£40-41.5	......	£37-38.5
Zinc Cash (w)‡	£330.75	-2.75	£323.5
3 months (w)	£342.75	-1.375	£317.75
Producers (w)	£360	......	£360
Oils			
Coconut Malayan	‡	......	£160*
Groundnut 6%	‡	......	£328
Linseed Crude (w)	£432	......	£435
Palm Malayan (a)	£218	......	£163
Soyabean (w)	‡	......	‡
Seeds			
Copra Philipp ton	$255a	+10	$236
Gr'nuts Nigerian	‡	......	
Linseed Can. No. 1	£165	......	£161
Grains			
Barley EEC	£57.75	......	£53.0
Homes Futures	£58.5	-0.5	£57.2
Maize			
French No.3 Am.	£64.5	......	£58
S.A.-Yellow	‡	......	£65
Wheat			
No. 1 Red Spring	‡	......	‡
No.2 Hard Winter	‡	......	‡
Australian (f.a.q.)	‡	......	‡
English Milling	£62.5r	......	£57.5
Cocoa Shipment (u)	£708	......	£662
futures Sept. (u)	£568.25	+14.75	£539.75
Coffee Shipment (c)	‡	......	‡
futures Sept. (Ub)	£778	-12.5	£467.25
Cotton 'A' Index cent	55.2	+0.25	54.0
Jute LJABWC (d)	£195	......	£200
Rubber ... kilo	36.25p	+0.5	34.5p
Sisal SAJL (w)	$600	......	$600*
Sugar (raw)	£200	+5	£157
Wooltops 64s ... kilo	166p	......	190p
Cloves (Madagascar)	£2,550	......	£2,550
Pepper White ... ton	£885	......	£860
Black ... ton	£680	......	£650

* Nominal. † Seller. § Unofficial close. ‡ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h August. k Aug.-Sept. u Metric tons. r September. v Aug.-Oct. s July-Aug. t Nov. q May-June. w Nov.-Jan.

FINANCIAL TIMES

Aug. 5	Aug. 4	Month ago	Year ago
178.82	178.32	162.66	208.45

(Base: July 1, 1952=100)

REUTER'S

Aug. 5	Aug. 4	Month ago	Year ago
1153.3	1144.4	1083.5	1252.1

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 5	Aug. 4	Month ago	Year ago
Spot	310.74	311.08	278.73	376.20
Futures	289.65	293.72	251.94	346.47

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 5	Aug. 4	Month ago	Year ago
Sple Comm'ty	786.2	785.1	755.2	845.6

(Dec. 31, 1931=100)

COPRA—Philippines: Aug.-Oct. $255 reseller per tonne c.i.f. North European ports.

★

HIDES—Manchester. Slightly firmer. Second clear ox 31-33.5 kilos 19.6p per kilo; 26-30.5 kilos 21.6p; 22-25.5 kilos 23.4p. Light cows 19.5p. No calf offered.

U.S. Markets

Grains down after rain reports

NEW YORK, August 5.

SILVER and copper both declined on Commission House stop loss selling. Cocoa closed lower, with Commission Houses selling following other commodity markets. Sugar traded quietly throughout the day, with trade being a seller awaiting tenders to-morrow. Chicago grain markets closed lower with speculative selling due to rain in growing areas, Bache reports.

Cocoa—Ghana spot 75¼ nom. (77 nom.). Bahia spot 60¼ nom. (62½ nom.). Sept. 55.86 (51.16). Dec. 51.70 (53.10). March 49.80, May 49.32, July 49.07, Sept. 48.70, Dec. 48.15. Sales: 1,159.

Coffee—Spot Santos No. 4 unq. (same). Colombian Mams 102.50 asked (103.00 asked). "C" Contract: Sept. 85.40 (87.90), Nov. 84.00 nom. (86.50). Dec. 83.05-83.44, March 83.25-83.60, May 84.10-84.85, July 84.90 nom. Sales: 308.

Copper—Aug. 56.90 (58.00), Sept. 57.20 (58.50), Oct. 57.60, Dec. 59.00. Sales: 2,297 lots.

Cotton—Oct. 50.12-50.17 (50.69), Dec. 50.36-50.40 (50.77), March 51.25, May 51.85-51.95, July 52.47-52.48, Oct. 53.22 bid, Dec. 53.50 bid. Sales: 1,699.

*Gold—Aug. 166.30 (167.60). Sept. 167.50 (169.10), Oct. 166.90, Dec. 171.60, Feb. 174.50, April 177.00, June 180.90, Aug. 183.90, Oct. 186.90, Dec. 189.90. Sales: 1,014.

Greasewool—Spot 141.8 nom. (same). Oct. 142.5-146.0 (141.5), Dec. 143.5-149.0 (143.5), March 146.0-148.0, May 146.0-750.5, July 146.0-152.5, Oct. 146.0 bid, Dec. 146.0 bid.

†Lard—Chicago loose 36 nom. (same). NY prime steam 37½ nom. (same).

††Maize—Sept. 298-297 (299½-298), Dec. 286-287¼ (290-289½), March 294¼-294½, May 299½-299¼, July 300¼-300½.

‡Platinum—Oct. 172.30 (174.90), Jan. 177.90 asked (179.40), April 181.90 asked, July 186.00 asked, Oct. 190.00 asked, Jan. 193.80-194.00. Sales: 225.

‡‡Silver—Spot 511.00 (518.00). Aug. 508.40 (516.50), Sept. 511.90 (520.50), Oct. 516.40, Dec. 525.50, Jan. 530.00, March 535.80, May 547.20, July 555.50, Sept. 563.70, Dec. 575.80. Sales: 4,970.

*Soyabeans—Aug. 597-598 (605½), Sept. 600-601 (610), Nov. 604½-603, Jan. 611½-609, March 621, May 629, July 632, Aug 632.

bSoyabean Meal—Aug. 131.00 (133.10), Sept. 134.50 (138.30), Oct. 137.50-138.00, Dec. 142.50-143.00, Jan. 146.00-146.50, March 151.10-152.00.

Soyabean Oil—Aug. 28.85-29.00 (29.42), Sept. 27.65-27.75 (27.63), Oct. 26.60-26.70, Dec. 25.55-25.60, Jan. 25.10-25.15, March 24.70-24.80, May 24.35, July 24.05, Aug. 23.80.

Sugar—Spot 18.25 (18.00). Sept. 17.50-17.40 (18.15), Oct. 16.95-16.90 (17.35), Jan. 16.86 nom., March 16.40-16.50, May 16.35 bid, July 16.25 bid, Sept. 16.15-16.10, Oct. 16.00. Sales: 4,804.

Tin—317.50-365.00 nom. (315.50-380.00 nom.).

**Wheat—Sept. 370-369 (371-370), Dec. 384½-384 (387-385½), March 395, May 388, July 384.

WINNIPEG, August 5. ††Rye—Oct. 253 (255), Dec. 258½ asked (249½), May 264 bid.

cOats—Oct. 153½ bid (156½), Dec. 155 (154½), May 160 nom.

§Barley—Oct. 245½ bid (244½), Dec. 245½ bid (240), May 242 nom.

dFlaxseed—Oct. 800 (792), Nov. 785 (769), Dec. 773 bid, May 780 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 533¼ (533¼).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ♦ $'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡Cents per troy ounce ex-warehouse. h New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. ‡ $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. c Cents per 24-lb bushel. § Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

CONTRACTS AND TENDERS

STOCK EXCHANGE REPORT

Industrial leaders stage a useful technical rally

Share index up 7.5 at 289.6—Gilts turn dull

Account Dealing Dates
Option

*First Declara- Dealings	tions Dealings	Last Account Dealings	Day
July 28	Aug. 7	Aug. 8	Aug. 19
Aug. 11	Aug. 20	Aug. 21	Sep. 2
Aug. 22	Sept. 4	Sept. 5	Sept. 16

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Despite another extremely quiet trade, equity markets made a substantial technical rally yesterday after the recent downward drift. A trickle of buying interest saw a gradual improvement in the equity leaders after a slightly easier trend at the opening. This was later reinforced by bear closing and the F.T. 30-share index ended at the day's best with a rise of 7.5 at 289.6. The increase of ½ per cent. to 10 per cent. in base lending rates by the big four clearing banks came as no surprise. The day's rise took place against only a minor increase in activity; official markings of 3,559 compared with 3,480 on Monday.

British Funds lost their recent shine, sentiment being undermined by the increase in U.S. Treasury Bill rates and fears of a further rise in Prime Rates. Short-dated stocks suffered losses extending to 3/16, but earlier falls in mediums and longs ranging to ½ were pared to only a ¼ by the close. The Government Securities index reacted 0.23 to 60.47.

Funds react

There were few signs of life in second-line equities, but scattered minor improvements were reflected in rises leading falls (3-2) in F.T.-quoted industrials for the *first time for more than a week.* The increase in base lending rates encouraged dealers to mark Bank shares higher, but this failed to prompt much in the way of activity.

Confirmation of a further rise in U.S. Treasury bill rates and news of increases in U.K. clearing banks' base rates made for dullness in Gilt-edged. A small trade comprised mainly of small selling orders and, although a rally reduced the losses, the closing tone was finally uncertain. Short-dated issues sustained falls extending to 7/16 in the case of *Treasury 10½ per cent., 1978, at* 98 15/16, while mediums and longs were generally ¼ off, after being ½ down at one stage. Corporations followed no set pattern of trading.

Sensitive to a small and intermittent demand, the investment currency premium rose quickly to 91½ per cent. only to fall back *later to close a net 1¼ up at 90¾* per cent. Yesterday's SE conversion factor was 0.6338 (0.6436).

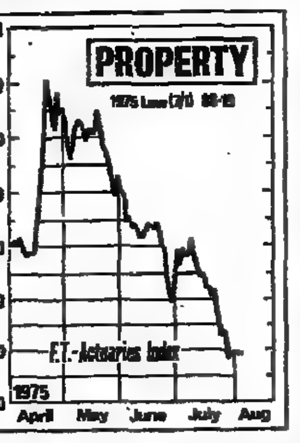
In Recent Equities, the preliminary results left Clive Discount unmoved at 50p.

Mark-up in Banks

The moves by the big four clearing banks in raising their respective base lending rates ½ per cent. to 10 per cent. encouraged dealers to mark prices *around 3 higher in the hope of* generating some interest; trade failed to materialise on any scale, but prices stayed firm. National Westminster fared best, rising 8 to 186p, while Barclays, 240p, Lloyds, 185p, and Midland, 225p, all gained 5. Overseas banks tended mixed with Bank of New South Wales 10 better at 363p and Commercial Bank of Australia 5 dearer at 205p, while Hong Kong and Shanghai cheapened 4 to 199p. Discounts eased in places; Gerrard and National lost 7 to 240p.

A technical rally in Insurances left improvements that stretched to 8 by the close. "Royals," with interim results due August 19, ended that much better at 264p. Sun Alliance hardened 5 to 370p as did General Accident to 140p. Commercial Union improved 4 to 142p; the interim results are due next Monday. Hogg Robinson edged 2 higher to 122p following the results and proposed 25 per cent. scrip issue.

Breweries tended *to edge higher* in thin trading. Allied hardened a penny to 58p as did Bass Charrington to 79p, while Arthur Guinness rallied 2 to 111p. Following the company's rejection of its employees £38-a-week wage claim, Scottish and Newcastle closed 1½ dearer at 44p. Elsewhere, *further consideration of* the £25m. FCI loan saw Distillers ease to 105p initially before rallying to end 2 better on balance at 108p. George Sandeman held firm at 40p despite adverse newspaper comment.



In the course of another small turnover, Buildings managed to harden in places. Johnson-Richards Tiles, 94p, and Milbury, 34p, both improved 4, while A. Gunn picked up 3 to 54p. Favourable Press comment lifted J. Jarvis 2 to 100p, while news of the company's £9m. property deal left Ready Mixed Concrete a penny harder at 49p.

A small technical rally left ICI 3 better at 248p in Chemicals where Fisons were firm at 354p, up 7. Improvements of 3 and 4 respectively were seen in Stewart Plastics, 46p, and W. W. *Ball*, 34p, while Albright and Wilson recovered 3 to 61p.

Store leaders bought

Store leaders encountered some investment support and closing gains ranged to 4, as in Marks and Spencer, 96p, and Gussies "A," 152p. House of Fraser rose 3½ at 71p, while Burton "A" managed to pick up *2 more to 39p. Other* issues remained quiet and closed with scattered irregular movements. Hall and Earl, on the increased profits, hardened fractionally to 6½p. Mail Orders to find favour were Empire Stores, 38p, and the new nil-paid, 31p premium, which added 3 and 3 respectively, and Grattan Warehouses, 3 better at 68p.

Trade remained quiet in leading Electricals, although prices went steadily better on a "bear squeeze." GEC secured an improvement of 6 at 118p, while EMI appreciated 5 to 166p. Thorn Electrical followed the full report with a gain of 4 at 152p, while *Plessey, 66p, and BICC, 108p, put* on 3 apiece. Philips' Lamp moved up 30 to 732p in reflection of the firmer investment dollar premium. Secondary issues also showed a hardening tendency. Westinghouse Brake put on a penny to 23p on the half-time profits advance and forecast of a matching performance in the second half. ESR, 64p, and Electronic Rentals, 46p, both edged up 2, while Dimplex put on 1 to 6p. Telephone Rentals, however, eased 3 to 84p. Energy Services and Electronics closed a fraction cheaper at 3½p following the poor results and sale of the company's hearing aid interest to Thomas *Tilling; the latter gained 1½ at* 54½p.

Recent publicity given to a broker's circular advising a switch *to Hawker Siddeley began to* filter through and the price jumped 10 to 257p. GKN, which had been recommended as a "sell" in the same advice, rebounded 7 to 205p and Tube Investments recovered 4 to 232p. CompAir were outstanding with the new fully-paid shares 5 higher *at 53p and the old 6 dearer at* 52p. Benjamin Priest responded to the impressive results, rising 4 to 45p, and Bromsgrove Casting were 1 harder at 17p after increased profits. Also firmer were Brown and Tawse, 4 up at 59p, W. G. Allen, 3 better at 25p, and Aluminium Corporation, which *gained 3 to 45p.* Among smaller-priced issues, M. Mole rose 3 to 15p and Marryat 2 to 16p. Of the adverse changes, Charles Clifford, which recently abandoned the proposed merger with Evered, fell 7½ to 77½p. APV slipped 5 more to 175p. Howard Machinery gave up 3 further to 31p and Brasway shed a similar amount to 50p. *Robb-Caledon initially* resisted news of the indicated loss and subsequent financing arrangements, but later reacted 4 to 22½p.

Cavenham were the object of speculative attention in Foods, with the Warrants being especially strong at 58p, up 9; the Ordinary closed 6 higher at the day's best of 122p. Otherwise the trend was only a shade firmer, Spillers gaining 1½ to 34½p and Sainsbury rallying 2 to 130p. In Supermarkets, Wheatsheaf were lowered 3 to 111p.

Boots rise

Business was still subdued in the miscellaneous Industrial leaders, but modest gains were achieved. Boots made the brightest showing, recording a rise of 6 at 102p. Reed International recovered 4 more to 190p, while similar improvements were scored in Beecham, 270p, after 264p, Bowater, 139p, and Reckitt and Colman, 289p. "Suits" put on 2 to 39p awaiting next Tuesday's results. Elsewhere, Johnson Matthey, still suffering from the effects of a broker's adverse circular, retreated to 235p before ending 9 cheaper on the day at 239p. Nairn Williamson receded 6 to 50p, while other dull spots included, Ozalid, 128p, and Development Securities, 225p, both with losses of 5. Royal Worcester, 3½ down at 92p, were quoted ex "rights," with the new nil-paid at 9p premium. In contrast, AVP gained 3 at 48p in response to the increased profits, while the chairman's encouraging statement at the AGM left Sutcliffe Speakman 2½ firmer at 34½p. Letraset, still on the preliminary statement, added 2 at 32p. Esperanza improved 5 to 66p, while BTR, 118p, and the new, 26p premium, both picked up 3.

Motors spent another quiet and uninteresting day. Lucas Industries were marked up 5 to 99p, while Dunlop hardened a penny to 44p. Dealing began yesterday in Clayton Dewandre 16 per cent. Debenture, 1990-95, which opened at £100 for the fully-paid stock before closing at £99⅞. Adams and Gibbon gave up 5 to 40p, despite the sharp recovery in first-half profits.

Thomson Organisation attracted a few buyers after the recent spell of lethargy and closed 5 higher at 154p. Other Newspapers were *only* marginally better, Pearson Longman hardening 2 to 78p and Associated 1 to 84p. Paper/Printings were barren of even minor features.

Properties neglected

Leading Properties remained neglected, although prices were closing just a shade better for choice. Land Securities, following Monday's fresh decline of 4, closed a penny better at 136p, while the new nil-paid 10 per cent. Convertible eased further to 50p premium before rallying to close unaltered on the day at £1¼. British Land picked up 1¼ to 16½p and English Property a penny to 44½p, but MEPC finished 2 easier at 78p, after 75p. Scattered minor losses were registered in secondary issues. Churchbury Estates, 125p, gave up 3 *of the recent* speculative advance on bid hopes. Ragalian Properties, 5p, and Countryside Properties, 12p, shed 2 apiece. Capital and Counties, however, *improved a penny to* 16½p.

British Petroleum eased afresh initially to 457p, but rallied with the general trend to 468p for a net rise of 5; business, however, was extremely patchy, a situation which really applied to all Oils. Shell regained 3 to 236p and Ultramar made a late forward move to close 6 dearer at 172p, while Tricentrol ended 1 higher at 40p, after 38p. Investment premium influences took Royal Dutch up ¼ more to £25¼, Pan Ocean 15 higher to 785p and Sunningdale 10 better to 440p.

Overseas Traders were again characterised by small mixed changes. Sena Sugar put on 2 to 11p and Harrisons and Crosfield 25 to 850p.

The trend remained mixed in Trusts and Financials. Rothschild gave up 6 to 338p and London Electric and General cheapened 4 to 58p. Continental Union firmed 4 to 76p.

A small speculative demand in a thin market was enough to take Furness Withy up 6 to 283p, in Shippings. P & O Deferred gained 4½ to 86p.

Courtaulds, 114p, closed with a small improvement of 3 in irregular Textiles, where Highams hardened 2 to 26p as did Sidlaw Industries to 37p. John Haggas cheapened 5 to 205p in a restricted market and Tricoville lost 3 to 15p.

A dull market of late on the disappointing interim results, "Bats" perked up, hardening 5 to 280p, while Imps improved 2 to 63p.

Pundaluoya featured Plantations, rising 4 to 10p on the news that Dunkley, Longman, Marshall and Co. intended to make an unconditional offer for the company on Messrs. J. S. Herbert and I. H. A. *Hazell's behalf at just over 12p* per share. Elsewhere, Clairmace continued to find support, firming another 4 to a 1975 high of 54p. Kuala Lumpur-Kepong improved 3 to 36p, but *Guthrie* shaded 2 to 148p on lack of support.

Golds better

Gold shares were looking firmer, but the better tendency was almost entirely a result of prices being marked up in line with the higher investment dollar premium. While *sellers remained* on the sidelines, potential buyers continued to await a lead from the bullion price, which closed the day at $165.75, down 75 cents.

Even so, the gains were sufficient to lift the Gold Mines index by 5.7 to 363.5. Among them, West Driefontein rose ¾ to £44¼, while Venterspost were 15 up at 830p and "Sallies" gained 10 to 510p. Financials also edged better, with Cape interest lifting "Johnnies" ½ to £24¼.

Union Corporation put on 10 to 515p, partly on consideration of the news that studies are to be made for an improved process for the *extraction of rhodium,* ruthenium and iridium from ore produced by Impala Platinum. Similarly, Bishopsgate gained 4 to 106p. Other Platinums were also firm with Potgietersrust rising 5 to 240p.

Australians held steady enough, thanks to the firm dollar premium, but they gained little inspiration from mixed markets Down-Under which trod cautiously in front of the Federal Budget which is due on August 19. Pancontinental eased 10 to 515p.

Elsewhere, Botswana RST dropped 12 to 70p following the depressing half-yearly report, *commented upon in to-day's* Mining News column. Nigeria's Gold and Base Metal Mines, which announced higher profits and dividend, remained at 13p. Berjuntai were another 5 off at 320p despite the rally in the Penang tin price.

FINANCIAL TIMES STOCK INDICES

—	Aug. 5	Aug. 4	Aug. 1	July 31	July 30	July 29	A year ago
Government Secs.	60.47	60.70	60.44	60.14	60.42	60.83	56.13
Fixed Interest	60.29	60.38	60.38	60.35	60.67	60.76	56.25
Industrial Ordinary	289.6	282.1	282.8	293.3	288.5	291.8	341.2
Gold Mines	363.5	357.8	359.0	368.5	361.1	366.9	372.5
Ord. Div. Yld. %	7.11	7.37	7.25	7.26	7.10	7.01	8.25
Earnings Yld. %(full)(a)	20.51	20.98	20.91	20.86	20.51	20.24	22.13
P/E Ratio (net) (a) (b)	6.96	6.80	6.82	6.84	6.96	7.05	6.31
Dealings marked	3,559	3,480	3,526	3,718	4,597	4,733	5,261
Equity turnover £m.	—	23.47	34.87	48.27	36.28	41.30	68.73
Equity bargains total	—	8,037	8,932	9,303	9,740	11,820	10,228

10 a.m. 281.5. 11 a.m. 282.5. Noon 283.4. 1 p.m. 284.9.
2 p.m. 286.0. 3 p.m. 286.5.
Latest index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=6.91.
Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.34 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/3)	50.53 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.3 (6/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/6)	280.2 (20/1)	442.3 (22/6/75)	43.5 (28/10/71)

S.E. ACTIVITY

—	Aug. 5	Aug. 4
Daily—		
Gilt-Edged	126.0	121.2
Industrials	112.5	110.8
Speculative	37.5	39.4
Totals	81.0	79.2
5-day Av'r'ge		
Gilt-Edged	119.1	118.9
Industrials	122.4	132.9
Speculative	39.7	44.2
Totals	85.9	91.3

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section.	Tuesday, August 5, 1975 Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday August 4 Index No.	Friday August 1 Index No.	Thurs. July 31 Index No.	Wed. July 30 Index No.	Year ago (approx.) Index No.	Highs and Lows Index 1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (180)	104.54	+1.5	22.06	7.72	6.75	6.75	103.17	103.64	104.15	106.03	84.87	131.86 (6/6)	51.78 (6/1)	206.37 (4/5/72)	15.70 (13/12/74)
2	Building Materials (30)	88.25	+0.3	19.80	8.95	7.51	7.51	88.05	87.96	88.89	89.10	86.49	117.40 (22/4)	46.11 (6/1)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	180.59	+0.5	20.04	5.11	7.51	7.51	179.91	181.05	180.56	184.79	156.17	261.61 (23/4)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (17)	201.86	+3.9	20.20	5.74	7.27	7.26	194.26	194.71	194.69	200.96	153.81	254.64 (6/6)	98.49 (8/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	123.04	+0.5	27.56	8.85	5.51	5.51	122.48	122.71	123.17	126.07	96.40	159.79 (22/4)	64.39 (2/1)	202.57 (4/5/72)	64.39 (2/1/75)
6	Engineering (General) (64)	91.56	+1.0	23.65	8.99	6.19	6.19	90.42	91.20	91.86	93.49	70.41	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	58.01	−0.1	18.52	10.84	9.81	9.81	58.05	57.86	58.02	58.64	39.95	46.98 (20/5)	20.11 (2/1)	136.70 (4/7/69)	19.96 (13/12/74)
8	Miscellaneous (23)	93.19	−0.9	25.07	8.31	5.73	5.73	94.06	94.70	96.46	95.89	77.54	121.76 (6/6)	[illegible] (6/1)	177.41 (27/4/72)	[illegible] (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	80.35	+1.5	24.78	7.66	5.90	5.89	79.35	79.27	80.00	81.15	69.96	93.15 (6/6)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	93.72	+1.7	21.64	5.66	6.84	6.83	92.15	91.59	92.88	94.57	81.60	106.34 (6/6)	44.28 (6/1)	257.41 (19/5/72)	42.86 (12/12/74)
11	Household Goods (15)	125.28	−0.3	34.21	8.58	4.28	4.28	125.65	125.85	125.24	125.95	111.18	146.90 (23/4)	64.53 (6/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	42.52	+1.4	25.59	10.97	5.61	5.58	41.95	42.27	42.25	42.49	36.64	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	117.34	+1.4	17.15	7.16	6.59	6.56	115.74	116.26	116.55	117.50	92.28	146.45 (6/6)	61.95 (6/1)	196.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	130.52	+1.6	15.55	7.75	9.75	9.75	128.52	129.80	129.36	129.95	103.25	163.83 (6/6)	75.66 (6/1)	231.87 (23/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	152.09	+0.8	14.73	7.67	10.24	10.24	151.00	150.30	151.40	153.59	121.66	177.94 (9/7)	80.43 (6/1)	257.40 (15/7/72)	[illegible] (13/12/74)
16	Entertainment, Catering (16)	154.21	+1.7	16.52	8.29	9.05	9.05	151.96	151.94	151.84	154.66	92.07	158.44 (27/6)	56.26 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	124.89	−0.2	16.45	6.39	8.56	8.55	125.30	124.60	124.54	125.65	95.41	156.57 (6/6)	62.03 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	116.02	+0.5	13.59	5.56	10.72	10.72	115.46	117.34	116.53	115.96	81.26	149.17 (4/6)	57.15 (2/1)	235.06 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	115.92	−0.8	16.09	8.38	8.41	8.41	114.99	114.56	114.37	117.65	111.51	159.14 (6/6)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	79.15	−0.9	27.90	9.30	5.36	5.36	78.44	78.41	78.08	79.65	69.49	107.12 (20/5)	43.46 (6/1)	136.69 (26/4/72)	43.46 (6/1/75)
21	Stores (31)	101.21	+2.2	14.26	6.46	10.66	10.66	99.01	96.76	99.48	101.20	77.71	132.94 (30/6)	52.63 (6/1)	304.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	119.66	+1.7	28.66	8.95	4.12	4.05	117.61	118.62	118.16	119.32	110.35	145.07 (27/5)	62.91 (6/1)	235.72 (17/8/62)	62.56 (11/12/74)
23	Tobacco (3)	174.49	+2.4	19.09	7.72	7.96	7.96	170.41	175.07	174.97	175.62	127.70	199.16 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	41.56	−0.4	31.49	8.71	4.56	4.36	41.72	41.72	41.00	41.18	35.24	44.08 (6/6)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	155.61	+0.7	22.37	5.86	6.40	6.40	154.56	154.96	155.74	157.52	116.58	189.17 (6/6)	73.14 (6/1)	201.98 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	69.75	−2.0	20.04	7.47	6.92	6.92	71.14	71.63	73.28	74.51	82.71	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	324.76	+0.8	26.46	7.40	4.87	4.72	322.33	323.01	319.76	330.84	282.53	401.84 (10/3)	194.36 (6/1)	517.00 (6/12/72)	90.80 (29/5/62)
28	Miscellaneous (46)	119.54	+0.9	22.64	8.56	6.49	6.48	118.42	117.39	118.18	120.21	103.56	153.58 (6/6)	60.39 (6/1)	256.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	115.30	+1.1	20.06	7.24	7.21	7.19	114.00	114.35	114.72	116.22	93.33	145.43 (6/6)	59.19 (6/1)	230.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	288.77	+1.1	28.44	5.66	3.77	3.52	286.08	286.25	280.26	285.01	176.41	296.47 (4/6)	105.83 (3/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	127.23	+1.1	21.38	7.02	6.31	6.17	125.81	126.15	126.80	128.41	100.34	156.14 (6/6)	63.49 (6/1)	227.95 (18/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	112.79	+1.6	—	6.34	—	—	111.10	111.61	112.67	114.13	95.44	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	128.71	+2.6	24.04	6.17	6.25	6.25	125.53	125.36	126.61	131.78	109.38	177.11 (6/6)	62.36 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	138.09	−0.9	—	8.76	—	—	139.26	139.66	142.08	142.07	105.64	166.27 (7/3)	64.15 (6/1)	293.13 (2/5/73)	61.40 (10/12/74)
35	Hire Purchase (5)	88.50	+0.2	28.26	10.26	4.70	4.31	88.12	87.66	88.86	89.92	124.73	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	96.67	−1.4	—	7.09	—	—	95.25	95.97	98.73	96.52	75.31	127.97 (23/4)	44.88 (2/1)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	96.35	+2.1	—	6.93	—	—	95.39	94.31	95.02	96.46	66.87	123.90 (20/5)	44.47 (2/1)	156.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	181.76	+0.8	11.20	4.66	13.28	13.28	180.56	180.04	186.72	184.14	122.79	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	78.55	+0.2	—	7.35	—	—	75.40	75.60	76.15	77.46	78.47	94.97 (7/3)	31.21 (7/1)	276.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	136.74	+0.3	3.31	4.32	37.67	36.64	136.36	139.84	138.09	137.64	153.06	141.22 (22/4)	88.19 (7/1)	367.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	61.27	−3.7	18.47	10.83	7.90	7.90	62.97	63.14	63.12	63.12	68.72	75.76 (25/4)	34.78 (10/1)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	141.76	−0.6	3.60	4.96	28.62	28.60	142.58	143.66	146.40	146.31	111.33	178.53 (6/6)	73.43 (6/1)	346.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	124.16	+1.1	—	6.76	—	—	122.82	123.23	124.03	125.56	98.83	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	398.70	−0.6	14.23	3.27	10.21	10.13	400.95	400.96	405.54	400.31	312.12	595.43 (25/5)	281.66 (2/1)	556.37 (25/7/73)	94.68 (25/8/66)
45	Teas (10)	101.29	+0.3	35.82	10.22	3.90	3.72	100.94	101.01	101.01	101.18	84.11	104.15 (15/7)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	363.00	+0.9	54.10	20.80	1.85	1.85	359.84	363.00	371.41	363.73	384.40	467.74 (27/5)	349.52 (22/7)	567.78 (13/7/73)	94.08 (29/4/52)
47	Mining Finance (11)	122.24	+0.2	10.02	4.33	10.96	10.96	122.03	121.81	122.05	122.64	92.89	141.34 (30/5)	90.59 (22/1)	175.90 (28/4/69)	66.51 (30/9/74)
48	Tins (8)	87.99	−0.7	11.59	9.43	11.11	9.65	88.61	89.07	89.74	90.63	69.05	114.49 (5/6)	58.91 (8/1)	125.43 (12/1/72)	54.83 (21/5/71)
49	Overseas Traders (13)	200.62	—	17.30	4.93	7.40	7.39	200.71	200.84	201.55	203.37	—	252.23 (30/5)	97.37 (6/1)	252.23 (30/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Tuesday, August 5 Index No.	Yield %	Monday August 4	Friday Aug. 1	Thurs., July 31	Wed. July 30	Tues. July 29	Monday July 28	Friday July 25	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consoles 2½% yield	—	13.95	13.85	13.93	14.02	13.92	13.82	13.72	13.69	15.25	—	—	—	—
2	20-yr. Govt. Stocks (6)	50.60	12.88	50.89	50.51	50.08	50.39	50.86	51.18	50.39	47.74	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	47.98	16.87	47.96	47.64	47.64	47.83	47.77	47.91	47.92	46.15	[illegible]	[illegible]	[illegible]	[illegible]
4	Investment Trusts Prefs. (15)	46.53	14.86	46.53	46.85	46.99	47.15	47.50	46.60	46.39	41.50	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	67.58	13.91	67.70	67.71	68.02	67.79	67.57	66.92	66.68	56.56	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by inland post 18p.

CONSTITUENT CHANGE: Duncaster (D.J.) (Engineering (General)) has been replaced by Allied Retailers (Stores).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	14	248	+3	302	118
GEC	25p	9	118	+6	133	51
Shell Transport	25p	9	236	+3	343	118
"Bats"	25p	8	280	+5	338	164
BP	£1	8	468	+5	555	180
Courtaulds	23p	8	114	+3	140	53
GUS 'A'	25p	8	152	+4	226	86
Marks & Spencer	25p	8	96	+4	128	47½
Midland Bank	£1	8	225	+5	305	122
EMI	50p	7	166	+5	200	62
Westld. Air. 'New'	Nil/pd.	7	3½*	—	4*	1*
Allied Breweries	25p	6	58	+1	73	33½
Burmah Oil	£1	6	28	—	100	27
Cons. Gold Fields	25p	6	236	+1	290	188
Distillers	50p	6	108	+2	150	65½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 22	Aug. 4	Oct. 16	Oct. 28
Aug. 5	Aug. 18	Oct. 30	Nov. 11
Aug. 19	Sep. 1	Nov. 11	Nov. 25

"Calls" were arranged in Charterhall, British Land, Siebens Oil and Gas, National Westminster Bank warrants, Premier Consolidated, Reyrolle and Cavenham warrants. *No* "puts" were reported, but double options were transacted in Swan Hunter, Siebens Oil and Gas, Grand Metropolitan warrants, Lonrho, Cavenham warrants and Premier Consolidated.

Industrials		Grand Met.	9	Slater Walker	15		
		G.U.S. 'A'	20	Spillers	7	Mines	
A. P. Cement	20	Guardian	20	Tesco	6	Anglo Amer	60
Assoc. Leisure	3	G.K.N.	28	Thorn "A"	20	Broken Hill Prp	75
Barclays Bank	35	Hawker Sidd.	30	Tube Invest.	30	Charter Cons.	22
Beecham	28	House of Fraser	10	Unilever	40	Chart'hall Pln.	8
Boots Drug	24	*Hudson (Wilms*	5	*Utd. Drapery*	12	Cons Gold	25
Bowaters	20	I.C.I.	24	Vickers	16	De Beers Def.	25
B.A.T.	35	"Imps"	7	Woolworths	6	F. S. Geduld	350
British Leyland	1¼	I.C.L.	7			Great Boulder	12
British Oxygen	6	Inveresk	10	Property		Hampton Areas	15
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
Cadburys	6	Lloyds Bank	30	E.P.	11	Kloof	140
Courtaulds	14	"Lots"	7	Int. Europe.	7	Lonrho	13
Debenhams	11	"Mams"	9	Land Securities	22	Loraine	36
Distillers	15	Marks & Sp'cer	13	Peachey	7	Metals Explor.	8
Dunlop	6	Midland Bank	32	Town & City	6	Poseidon	55
Eagle Star	16	Nat'l WestBank	30	Town & Comm.	7	Pres. Steyn	275
E.M.I.	20	*P & O Dfd.*	16			Rio T. Zinc	20
First National	3	Plessey	10	Oils		Welkom	55
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	48	West Areas	75
Gen. Accident	16	Rank Org. 'A'	25	Burmah Oil	6	Western M'ng	15
Gen. Electric	14	Reed Int'l	28	Shell	30	Zambia Copp.	10
Glaxo	40			Ultramar	21		

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new "highs" and "lows" for 1975.

NEW HIGHS (7)

FOREIGN BONDS (1)
Antofagasta Rly. Sec Pf.
AMERICANS (2)
Merrill Lynch Vetco Inds.
ELECTRICALS (1)
Robinson Rentals
INDUSTRIALS (2)
Rennies Cons. Whatman Reeve Ang.
TEAS SRI LANKA (1)
Clairmace

NEW LOWS (3)

BRITISH FUNDS (1)
Treas. 9½pc 1980
ENGINEERING (2)
Clifford (Charles) Metal Products

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	3	46	4
Corpns. Dom. and Foreign Bonds	5	5	61
Industrials	277	189	1,270
Financial and Prop.	66	127	416
Oils	7	6	19
Plantation	4	2	42
Mines	37	13	83
Recent Issues	14	12	36
Totals	412	400	1,945

WHOLESALERS CHANGE TITLE

THE FEDERATION of Wholesale and Industrial Distributors has replaced the Federation of Wholesale Organisations, which, after 25 years, has expanded to include 17 wholesale organisations of consumer merchandise and industrial products.

Mr. John Bellamy (Electrical Wholesalers' Federation) succeeds Mr. G. H. Weinberger as president, and Mr. Philip Norton (Association of Engineering Distributors) is vice-president.

BASE LENDING RATES

AFI International	10 %
Allied Irish Banks Ltd.	10 %
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10½%
Barclays Bank	10 %
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10 %
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	10 %
■ Charterhouse Japhet	10 %
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	*10 %
Copleys Bank	11½%
Corinthian Securities	10 %
Credit Lyonnais	10%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	9½%
■ Hambros Bank	10 %
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	†9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Knowsley & Co. Ltd.	11½%
Lloyds Bank	10 %
London & European	11½%
London Mercantile	11½%
Midland Bank	10 %
■ Samuel Montagu	10 %
■ *Morgan Grenfell*	9½%
National Westminster	10 %
Northern Comm. Trust	10½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs.	9½%
Royal Trust of Canada	10½%
Schlesinger Limited	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Thames Guaranty	11 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	10 %
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10½%
Williams and Glyn's	10 %
Yorkshire Bank	9½%

■ *Members of the Accepting Houses Committee.*
* 7-day deposits 6½%, 1-month deposit 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6½% and over £25,000 7½%.
‡ Deposit Base Rate 8½%.
§ Demand deposit 7½%.

MONEY MARKET

Free credit supply

Bank of England Minimum Lending Rate 11 per cent.
(since July 25, 1975)

A surplus of day-to-day credit was expected in the London money market yesterday but the houses balanced their books without official intervention. Factors working against the market were: run down bank balances from the previous day, a net market take-up of Treasury bills, small gilt-edged sales, Commercial Bill maturities, and an increase in the note circulation. There was an excess of Government disbursements over revenue transfers to the Exchequer working in the market's favour.

Discount houses paid around 9½ per cent. for secured call loans at the start and 9 per cent. was touched in places. At the close however rates were in the region of 9½-10½ per cent.

The increase in base lending rates by major banks appeared to have no great impact in the inter-bank market with over-night loans opening around 9¾-10 per cent. and easing during the day to 9¼-9½ per cent. before rising at the close to around 12 per cent.

Short-term interest rates were firmer throughout with the one-month Sterling certificate rising to 10⅛-10¼ per cent. from 10⅛-10⅜ per cent., the three-month 10⅝-10⅞ per cent. from 10½-10⅝ per cent., and the one-year 11⅛-11 per cent. against 11 1/16-10 15/16 per cent.

Rates in the table below are nominal in some cases.

Aug 5 1975	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	9¼-12	—	—	—	10¼-10¾	9-10½	—	—	—
2 days notice	—	—	9¾-9⅞	—	—	—	—	—	—	—
† 7 days or 7 days notice	—	9⅞-10¼	9¾-9⅞	—	—	—	9⅝-10	—	—	—
One month	10⅛-10¼	10¼-10½	10-10¼	10⅛-10¼	10½-11	—	9⅝-9¾	10¼	10⅛	11¼
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Local authority and finance houses seven days' notice, others seven days' fixed. [illegible]

I.G. INDEX
GOLD 165-168

CORAL INDEX
Close 285-290

INSURANCE BASE RATES

† Atlantic Assurance ... 11¼%
Cannon Assurance ... 8¾%
† Address shown under Insurance and Property Bond table.

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AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields shown for all buying prices. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Net of tax on realised capital gains unless indicated by ♦. ♦ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡ Single premium insurance bonds.

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅜	94⅞	Exch 6½pc 1976‡‡	98¼xd	+1/16	6.61	9.60
97¾	92⅞	Treasury 6½pc 1976‡‡	96⅝xd	+1/16	6.73	10.03
99	97	Victory 4pc 1976‡‡	99xd	.....	4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	99½	–1/16	10.56	10.74
95	89⅞	Treasury 6¼pc 1977‡‡	94½xd	+1/16	6.61	10.12
94½	86¼	Electric 3pc 74-77	92¼	.....	3.25	8.22
103½	96⅞	Treasury 11½pc 77‡‡	100⅛	–⅛	11.48	11.37
88⅞	84	Treasury 3pc '77‡‡	87⅞	.....	3.41	8.97
90⅞	84⅞	Transport 4pc 72-77	88⅝	–⅛	4.51	9.45
95⅞	90½	Treasury 9pc 1978‡‡	93⅝	–⅛	9.62	11.91
100⅞	95⅝	Treasury 10¼pc '78‡‡	96⅞	–⅛	10.83	11.74
87⅛	79	Exchequer 5pc '76-78‡‡	85⅝	–⅛	5.84	10.47
103	94⅞	Treasury 11½pc '79‡‡	99	–⅛	11.62	11.88
79⅝	71⅛	Treasury 3pc '79‡‡	78⅜	.....	3.82	9.46
81	73⅞	Electric 4¼pc '74-79	79⅝	–⅛	5.34	10.42
100⅞	95⅞	Treasury 10½pc '79‡‡	95⅞	–⅛	10.94	11.71
79⅞	71	Electric 3½pc '76-79	78⅝	–⅛	4.45	9.71
95	84	Treasury 9pc 1980‡‡	90⅝xd	–⅛	9.93	11.71
95⅞	91¼	Treasury 9½pc '80‡‡	91¾	–¼	10.35	11.80
79	68¼	Treasury 3½pc '77-80	76	–⅛	4.60	9.82
84½	71	Funding 5¼pc '78-80‡‡	80¾	–⅛	6.50	10.38
		Five to Fifteen Years				
75½	66⅛	Treasury 3½pc '79-81	74	–⅛	4.72	9.65
91⅛	73⅛	Do 8½pc '80-82‡‡	85½	–¼	10.00	11.89
104⅛	86⅝	Treasury 12pc 1983‡‡	102½	–¼	12.27	12.48
78	58	Funding 5½pc '82-84‡‡	74	–¼	7.47	10.22
85¼	61⅞	Treasury 8½pc '84-86‡‡	81⅞	–¼	10.53	11.65
73¼	51⅞	Funding 6½pc '85-87‡‡	70⅝	–¼	9.43	11.35
76¼	53	Treasury 7¾pc '85-88‡‡	72¼	–¼	10.76	12.16
47¼	32⅞	Transport 3pc '78-88	46	–¼	6.56	10.95
56⅞	39¼	Treasury 5pc '86-89	55½	–¼	9.27	11.73
		Over Fifteen Years				
75½	53¾	Treasury 8¼pc 87-90‡‡	71	–¼	11.83	12.83

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 37⅛% (based on $2.1420 per £)

CANADIANS

S.E. List Premium 37⅛% (based on $2.2100 per £)

Conversion factor 0.6336 (0.6426)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

INDUSTRIALS—Continued

††INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, Etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£14¼	780	Durban Deep R1	£10½	−¼	†Q110c	ϕ	[illegible]
£14	860	E.Rand Prp. R1	£10½	+⅜	†Q115c	ϕ	[illegible]
105	55	Rand Leases 25c	60	......	—	—	—
£34½	£22	Randfn Est. R2	£27¼	+¼	—	—	—
500	260	West Rand R1	325	+10	†Q40c	1.5	[illegible]

EASTERN RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
370	235	Bracken R1	292	......	†Q51c	1.1	11.0
23	13	Baggesfontein 50c	16	......	—	—	—
105	60	East Dag R1	65	−1	†Q25c	ϕ	[illegible]
140	140	Grvl. Areas 5c	140¢	......	—	—	—
380	210	Grootvlei 30c	270	+10	†Q32c	1.1	[illegible]
820	410	Kinross R1	710	+10	†Q50c	1.5	4.[illegible]
198	107	Leslie 50c	125	+2	†Q22c	1.6	11.[illegible]
550	310	Marievale 25c	365	+10	†Q54c	1.1	[illegible]
725	360	S. African Ld 35c	510	+10	†Q55c	1.2	[illegible]
265	165	Vlakfontein R1	165	......	Q35c	1.3	12.[illegible]
£13¼	840	Winkelhaak R1	£10⅞	+⅛	†Q94c	1.2	2.[illegible]
130	65	Wit. Nigel 25c	90	+3	Q1c	10.9	0.[illegible]

FAR WEST RAND

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£11	630	Blyvoor 25	895	+20	Q100c	ϕ	7.[illegible]
£21½	£17	Buffels R1	£19¾	+¼	Q160c	ϕ	5.[illegible]
430	293	Deelkraal R0.20	300	......	—	—	—
£14¼	920	Doornfontein R1	£11	+¼	Q110c	ϕ	6.[illegible]
£12¾	725	East Drie R1	£10⅝	+¼	Q65c	ϕ	3.[illegible]
£12½	725	Do Comb Units	£10⅝	......	—	—	—
450	295	Elsburg R1	370	+10	Q45c	—	7.[illegible]
£31	£16	Hartebeest R1	£26½	......	Q215c	ϕ	5.[illegible]

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
112	56	Botswana RST P2	70	−12	—	—	—
390	196	Messina R0.50	325	......	‡Q60c	2.9	‡

MISCELLANEOUS

1975 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	3	......	m0.5	—	1.7
65	17	Charterhall 5p	56½	−1	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
760	360	Cons. Murch. 10c	620	+10	†Q130c	2.2	‡
53½	29½	Lornex	39	......	—	—	—
19	11	NRD $1	12	......	—	—	—
375	200	Northgate C$1	275	......	Q65c	1.0	10.2
211	80	R.T.Z.	175	+3	19.9	4.4	4.5
135	47½	Sabina Inds. C$1	75	......	—	—	—
31	51	Stanford Mines [illegible]	72	+6	—	—	—
£12½	875	Tara Expln. $1	£13¼	......	—	—	—
78	38	Yukon Cons C$1	67	......	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution: bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ∆ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance, reserve allocations may preclude calculation of dividend cover.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 15

FINANCIAL TIMES
Wednesday August 6 1975

Industrial policy chief for Treasury

BY SAMUEL BRITTAN

A NEW second permanent secretary has been appointed to the Treasury to "develop" the Department's "contribution to industrial policy." He is Mr. Alan Lord, at present a deputy secretary in the Department of Industry. Mr. Lord's main experience has been in the Inland Revenue where he was deputy chairman.

The move is part of a general reorganisation of the Treasury, which will now be organised into four sections, each under a second permanent secretary.

These will be: the public services sector; overseas finance sector; chief economic adviser's sector; and the new domestic economy sector under Mr. Lord. His responsibilities will also cover incomes policy, monetary and fiscal policy and the Budget.

Mr. Denis Healey, the Chancellor of the Exchequer, has long expressed a desire to intervene in industry directly through the Treasury in the hope of improving the "supply potential" of the economy. The new section should give him a base from which to attempt this.

Forecasts

It is stressed that the reorganisation, the first major one since 1962, is not tied to the needs of any particular party or Minister. But it is clearly designed to create an "interventionist Treasury," relying extensively on economic forecasts, incomes policy and active industrial involvement. Letters have been written to 60 company chairmen to improve personal contacts with the top level of the department.

Another innovation is the establishment of a central unit under an under-secretary, Mr. Gordon Downey, to assist in co-ordinating policy and in designing any major new initiatives. It will be separate from the chief economic adviser's sector which will be mainly engaged in specialised forecasting work.

Mr. Lord, who is 46, is to have a salary of £17,175. His appointment takes effect in October.

Another new appointment has been the promotion of Mr. W. S. Ryrie to be head of the U.K. Treasury delegation in Washington in succession to Mr. A. K. Rawlinson, also to take effect in October.

Further details, Page 7

Cuts in subsidies urged by expenditure committee

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

AN ALL-PARTY Parliamentary committee yesterday called on the Government to concentrate any future public spending cuts on current expenditure, including subsidies.

The Commons Expenditure Committee complains in its ninth report of the 1974-75 session that previous public spending cuts have discriminated against investment by public enterprises and the nationalised industries.

"Any further cuts should aim to restore the balance by being *primarily cuts in current expenditure,*" says the report. "An obvious area where such cuts could be considered is subsidies, an area where *public expenditure* has certainly grown relatively fast in recent years."

Timely

The report could hardly be more timely, having been unveiled the day after the Cabinet *met at Chequers to discuss* Mr. Healey's proposed cuts of some £3bn. in public expenditure by the fiscal year 1978-79.

Details of how the cuts are to be implemented have certainly not been agreed by the Cabinet, and the Committee's emphasis on reducing subsidies has obvious reference to some of Labour's sacred cows, such as housing.

Mr. Michael English (Lab., Notts W), chairman of the public expenditure general sub-committee, told reporters yesterday that it was preferable to increase nationalised industry charges *rather than cut expenditure on* education.

Mr. Nigel Lawson (C, Blaby), said there was much more scope *for cutting current expenditure,* projected at £43.8bn. for 1975-76 in the Budget Report, compared with £11bn. for capital expendi*ture.*

The Committee lists a number of areas where it regards control of public expenditure to have *been excessively weak in recent* years, and calls for major improvements in the Treasury's whole approach to the subject.

Barber cuts

It says that the famous *"Barber cuts" of 1973 might* have taken place, as the Treasury had claimed in evidence, but adds: "Apparently they were offset in other areas. Thus the composition of capital expenditure was changed rather than actually cut in total."

The Committee welcomes the announcements ... that the Government proposes to fix cash limits for wage bills in the public sector, and to employ the *system of cash limits more* generally. It will be reporting on this subject to-morrow.

It is concerned about the *difficulties of finding out exactly* how pay settlements in the private and public sector compare. "We consider that it is *desirable to know* whether the rates of change in public and private sector pay settlements and earnings are different, and *accordingly recommend* that the necessary statistics should be collected and published at regular intervals."

There is a complaint that it is "well nigh impossible" for Parliament and the public to know what is happening to *public expenditure* because the Treasury does not publish *revised figures between one* White Paper and the next.

The report calls for publication of interim public expenditure figures "at least for the year in question" when important changes occur. It could be done on a quarterly basis, the Committee suggests.

Industry aid

It had already elicited from Treasury witnesses that the 1975 Financial Statement did not make full provision for official assistance to British Leyland. The report says that the whole area of assistance to industry under the Industry Act 1972 and the Industry Bill 1975 demands greater public accountability.

"We therefore welcome the Chief Secretary's readiness to consider publishing the Government's criteria for assistance to industry, and urge that this be done." *(The assurance was given by Mr. Joel Barnett, Chief Secretary to the Treasury, in evidence to the Committee on May 19.)*

Editorial Comment, Page 12

Iran oil company may pay £18.5m. for HQ in Westminster

BY MARGARET REID

NEGOTIATIONS are well advanced for an £18.5m. deal under which a prime site in London's Victoria Street would be *developed* as a prestige headquarters for the National Iranian Oil Company.

The site, Abbey House, now in process of demolition, is owned by Capital and Counties Property and stands on the corner of Victoria Street and Tothill Street, facing Westminster Abbey and the Houses of Parliament. It has been described as one of the finest in Europe.

Largest deal

If the project is agreed, it would probably be the largest property deal involving a Middle East oil producing country since Kuwait's £107m. take-over of St. Martins Property Corporation and Abu Dhabi's £36m. purchase of part of Commercial Union Assurance's headquarters.

The plan, on which final decisions have still to be made, is thought to involve Capital and Counties arranging for the construction of the new building on the cleared site and for the full acquisition of the developed structure by the NIOC on completion.

Initial payment

A certain initial payment *would be likely* to be made by the Iranians at the start of the project, with other payments probably following at intervals *during the building process.*

At the beginning of this year, the NIOC asked the Crown Agents, which handles investment and purchasing for some 90 overseas Governments, to find it a new headquarters in London. The present project is the result of this commission.

Before recommending the scheme for agreement, the Agents would naturally look for full assurances and guarantees that the project would be satisfactorily completed. There are signs that the provision of these may not be far away.

Partners

Mr. Dennis Marler, joint managing director of Capital and Counties, when asked yesterday about the matter, declined to comment.

Capital and Counties and the Crown Agents are partners in a number of ventures in Australia, with the Agents being responsible, under arrangements made some time ago, for provision of the finance, of which more than £100m. is still required. Meeting its Australian commitment is one of the major issues now being considered by the Agents, whose position was fortified last December by an £85m. Government grant and Government backing of its deposits.

Capital and Counties, one of Britain's larger property companies, has recently indicated that its results for the year to March 31, 1975, will appear some two months later than usual, in the latter part of September.

At the half-way stage, when slightly lower profits of £3.1m. were reported and the interim dividend was omitted, the Board *warned* that *results* in the second half would be much less favourable than in the first.

The company has recently sold several properties to institutions. As to the group's development projects, Mr. Marler said yesterday that in Europe funds were secured for the medium-term, and that the three major developments in Canada were already funded.

Shopping centre

In the U.K. the only two current developments were the shopping centre at Newcastle-upon-Tyne, now half-complete, on whose funding talks were being conducted, and the Abbey House site.

Stonehouse: a judgment

LONDON CAPITAL GROUP, the fringe banking operation founded by Labour MP Mr. John Stonehouse in 1972, obtained judgment against him for £203,568.31, including interest and costs, in the High Court yesterday.

The judgment was in respect of borrowings secured by Mr. Stonehouse's personal guarantee on behalf of Export Promotion and Consultancy Services Ltd, another Stonehouse company which went into liquidation in February.

Mr. Stonehouse, 50, Labour MP for Walsall North, will be told *of the court result by letter to* Brixton Prison.

MID-EAST OFFICE FOR JARDINE

Jardine Matheson and Company has *opened its first representative* office in the Middle East in Tehran, Iran. Mr. Vaughan L. Morris, until recently a director of a Jardines trading subsidiary in Hong Kong, will be the representative.

State allots £45m. machine tool, foundry hand-out

BY ARTHUR SMITH

DETAILS of £45m. of Government aid to help modernise and raise productivity in the machine tool and foundry industries were announced yesterday by Mr. Eric Varley, the Industry Secretary.

A sum of £25m. is being made available to the ferrous foundry industry and a further £20m. to the machine tool industry. Possibly more significant, the announcement could foreshadow increased efforts by the Industry Department to stimulate *industrial investment.*

Mr. Varley emphasised that each scheme would operate on a selective basis and that great emphasis would be put upon "the commercial viability of the projects proposed, and the way they are integrated into an overall plant to improve the productivity of the applicant company."

It is understood that if applications are treated in such a way the Treasury may take a more favourable view of Department of Industry spending in this direction.

Mr. Denis Healey, Chancellor of the Exchequer announced in *his April Budget that £100m.* would be set aside to promote investment that otherwise would not have taken place. The level *of assistance disclosed by Mr.* Varley yesterday takes the total to £105m. and this is now understood to be a flexible limit which *may be raised provided the In*dustry Department can submit a sufficiently strong case to the Treasury.

Other than the £45m. announced yesterday Mr. Varley last month introduced a £20m. support scheme for the clothing industry.

Under Mr. Healey's proposals an additional £40m. is available for projects—as distinct from whole industry support—where major private investment may have been planned but shelved.

Announcements are expected within the next few weeks, for example, of support for projects within the pharmaceuticals and diesel engine component sector. The assistance is designed as a pump priming exercise and a Government loan of say £1m. could promote a total investment of possibly 12 times that figure.

The ferrous foundry scheme will provide grants of 25 per cent. towards approved expenditure on new plant and equipment, and grants of 15 per cent. towards approved spending on new buildings and extensions. *Concessionary loans will also be* available.

For the machine tool industry concessionary loans will be available towards the development of new products. There will also be grants of 20 per cent. for approved spending on new plant and equipment and of 15 per cent. towards new buildings and extensions.

National Bus seeks 25-35% fare rise

By Arthur Smith

THE NATIONAL Bus Company is seeking another round of fares increases. And in the Commons yesterday, Dr. John Gilbert, the Transport Minister, placed the onus on local authorities to either increase grants or face a cut of more than 40m. service miles a year and redundancies within the industry.

The State-owned company, which operates 50 bus undertakings in England and Wales, appealed to the Government at the beginning of the year for £20m. to £25m. of cash aid and called for fare increases of between 25 and 35 per cent.

Passenger resistance to those increases, which came into force during the early part of the year, is running higher than expected at between 5 and 7 per cent., NBC said last night. However, further fare rises — thought to average around 15 per cent. — are being sought.

In a written reply in the Commons, Dr. Gilbert said the highest fare increases the company considered feasible were already being sought and local authority contributions in the current financial year were only a third of what was needed to maintain services at present levels.

Revisions

NBC had already decided to cut some 9m. miles a year from routes. "Without increased local authority grants, however, the NBC would need to make further service cuts totalling over 40m. miles with some consequential redundancy," Dr. Gilbert declared.

Pending decisions by local authorities about the services they were prepared to support next year, the Government had agreed to allow the NBC to meet its cash shortfall from the National Loans Fund.

Dr. Gilbert also offered county councils—which submitted their proposed transport policies for 1976-77 last month—until the end of September to make revisions in their level of bus support.

Weather

U.K. TO-DAY

HOT in most parts, with scattered showers.

London, N.W., S.W., Central S., Central N. and E. England, E. Anglia, E. and W. Midlands, Wales, Channel Isles.
Sunny periods. Scattered showers, perhaps thundery. Wind S. light. Max. 29C (84F).

Northern Ireland
Bright early, becoming cloudy *with occasional rain.* Wind S., moderate to fresh.

Lakes, Isle of Man, S.W. Scotland, Glasgow
Sunny periods. Scattered showers, perhaps thundery. Wind S. light. Max. 25C (77F).

Argyll, N.E. Scotland
Sunny periods. Scattered showers. Wind S. moderate. Max. 22C (72F).

N.E. England, Borders, Edinburgh and Dundee, Aberdeen, C. Highlands, Moray Firth, N.E. Scotland
Cloudy, early rain, sunny periods and showers later. Wind S. light or moderate. Max 23C (73F).

Orkney and Shetland
Rather cloudy. Outbreaks of rain. Wind S.E., moderate. Max. 19C (68F).

Outlook: Becoming dry with sunny periods in E., outbreaks of thundery rain in W. Very hot in E., warm in W.

Lighting-up: London 21.11; Manchester 21.28; Glasgow 21.46; Belfast 21.48.

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Alexandria	S	29	84	Madrid	S	30	86
Amsterdm.	S	30	86	Manchstr.	C	21	70
Bahrain	C	35	95	Melbourne	C	11	52
Barcelona	S	29	84	Mexico C.	S	19	66
Beirut	S	29	84	Milan	S	28	82
Belfast	F	22	72	Montreal	S	25	78
Belgrade	C	23	73	Munich	S	23	73
Berlin	S	28	82	Newcastle	S	23	73
Birmgham.	C	22	72	New York	S	24	75
Bristol	C	21	70	Oslo	S	30	86
Brussels	S	33	91	Paris	F	31	88
Budapest	C	20	68	Perth	S	17	63
B. Aires	C	11	52	Prague	S	26	79
Cairo	S	36	97	Reykjavik	R	11	52
Cardiff	C	21	70	Rio de J'o	S	27	81
Cologne	S	30	86	Rome	C	26	79
Copnhagn.	S	24	75	Singapore	S	31	88
Dublin	C	21	70	Stockholm	S	29	84
Edinb'gh	C	17	63	Strasbourg	S	29	84
Frankfurt	S	28	82	Sydney	R	12	54
Geneva	S	26	79	Tehran	S	37	99
Glasgow	C	22	72	Tel Aviv	S	28	82
Helsinki	S	28	82	Tokyo	S	34	93
H. Kong	S	29	84	Toronto	C	22	72
Jo'burg	S	21	70	Vienna	C	21	70
Lisbon	S	27	81	Warsaw	F	27	81
London	S	28	82	Zurich	S	26	79
L'mbourg	S	29	84				

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	S	28	82	Jersey	C	21	70
Algiers	S	37	99	Las Plms.	S	25	77
Biarritz	F	23	73	Locarno	S	22	72
Blackpool	C	19	66	Majorca	S	33	91
Bordeaux	C	28	82	Malaga	S	28	82
Boulogne	C	22	72	Malta	F	28	82
Casablnca.	S	24	75	Nairobi	C	17	63
Cape Town	C	16	61	Nassau	R	30	86
Corfu	F	28	82	Nice	S	28	82
Dubrovnik	F	25	77	Nicosia	S	30	86
Faro	S	31	88	Oporto	S	22	72
Florence	F	30	86	Rhodes	S	30	86
Funchal	S	23	73	Salzburg	F	25	77
Gibraltar	S	27	81	Tangier	S	29	84
Guernsey	C	19	66	Tenerife	S	21	70
Innsbruck	S	26	79	Tunis	S	32	90
Inverness	F	19	66	Valencia	S	32	90
I. of Man	C	18	64	Venice	S	28	82
Istanbul	T	22	72				

S—Sunny. F—Fair. C—Cloudy. T—Thunderstorm. R—Rain.

Continued from Page 1

July car sales

bad a very bad month in June, with only 4.69 per cent. of the market, climbed back to 8.67 as it overcame the effects of its strike at the Stoke engine plant in Coventry, but Ford dropped back to only 19.3 per cent. Ford appeared to be troubled by the effects of its seven-week door-bangers' strike at Dagenham which stopped production of all its big cars.

Among the importers Datsun climbed back from a 3.29 per cent. share in June to 5.7 per cent. last month, taking over leadership of the importing group from Renault (5.3 per cent.).

The most interesting question for this month, when registrations are expected to reach *about 130,000 in total,* is what effects the new British Leyland "superdeal" campaign will have on sales. Ford is also predicting *a healthy climb back, and if* both do, in fact, record better sales, *the importers will suffer.*

Car production in the U.K. has fallen from a total of 827,000 in the first six months of last year to *670,000* in the comparable period this year, according to SMMT figures. Commercial vehicle production, however, has risen slightly, from 198,000 to 206,000.

All aspects of the car industry have suffered from the run-down except Rover, which, including its Land Rover production, has increased output in the six *months from* a weekly average of 892 vehicles to 908.

Hire-purchase figures show a slight increase in the number of *people using this method of pur*chasing last month compared with July last year. Some 17,700 new cars were bought on HP last *month, and 16,700 last year.*

The main area of growth is in motor-cycle and scooter sales, with HP contracts rising from *3,600 a year ago to 6,490 this* July.

THE LEX COLUMN

Nationalisation charade

The Government's nationalisation programme is turning *into a farce.* Although compensation is to be based on an estimate of average Stock Exchange prices in the six months to February, 1974, only one company on the list is actually quoted. That is Robb Caledon *—which yesterday reported esti*mated losses of £1.55m. for 1974-75, compared with shareholders' funds of just £1.65m. at the start of the period.

But the Aircraft and Shipbuilding Industries Bill makes *no provision for any changes in* a company's trading situation between the winter of 1974 and vesting date, which is unlikely to take place before next summer at the earliest. So under the present Bill, which is going to be reintroduced as soon as possible in the next session, the taxpayer is committed to paying 99p per share for net assets of 7p per share.

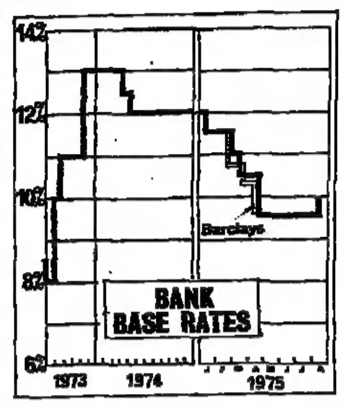
The "justification" for this apparent nonsense is to do with swings and roundabouts: some groups of shareholders may be fleeced, others may benefit. But in industries which are changing as rapidly as shipbuilding and aviation, compensation terms which are based mainly on notional prices related to out-of-date information cannot be taken seriously. By the time arbitration is out of the way, we could easily be talking about a time lag of three years.

Back in the real world, the shares fell 4p to 22½p yesterday. The company is being rescued by the Post Office, which is guaranteeing an injection of a £2½m. subordinated loan and up to £500,000 of redeemable preference shares by Lazards. Two cable repair ships under construction for the P.O. at fixed prices have played a big part in Robb Caledon's troubles, and the P.O. says that it would have cost a great deal to get them completed elsewhere. All the same, if the Government was really keen to get its hands on an equity interest, it seems hard to believe that it could not have *intervened at this stage.*

Base Rates

The market was ready for yesterday's round of base rate increases, which did not check a progressive rise in share prices over the day. The one point rise in MLR has not been fully reflected in the money market and with three month inter bank rate, for instance, standing at just over 10¼ per cent., there could not have been much scope for arbitrage prior to yesterday's move. But some of the banks have apparently seen a shift in borrowing away from the money markets, and the *rise in MLR* has increased the cost of a sizeable chunk of their deposits, which has to be rolled over rapidly.

Index rose 7.5 to 289.6



The banks have taken the opportunity to increase their margins again, which have now *risen from 2½ to 3½* per cent. this year. Further base rate increases seem possible unless money market rates ease soon. The most enigmatic statement of the day came from Barclays, which said that the trend depended on rates "over the next few days."

Ready Mixed

Ready Mixed Concrete's sale and leaseback of its new office building in Staines for £9.1m.—on what looks like a rather high yield basis of 9¼ per cent. —has raised more than could *presumably have come from a* rights issue, given a current capitalisation of £31.2m. The deal should also push last year's balance sheet worries further into the background, since the proceeds will more than eliminate U.K. bank borrowings. Meanwhile, capital spending is only likely to be slightly over half this year's net cash flow of, say, £20m. and working capital calls are smaller. But the impact on the accounts will probably be offset by the increased cost of foreign loans caused by exchange rate changes. So total published debt may only drop by roughly the extent of the property proceeds from the end 1974 total of £69m., of which about £13m. was the share of minority holders. So total debt attributable to equity shareholders could be about £47m. at the end of the year, compared with end 1974 net worth of £40.6m.

The preoccupation now is the prospect of a further sharp fall *in profits this year* with volume expected to drop by over 5 per cent. in the U.K. But in the absence so far of severe price competition and with Germany having possibly bottomed out, earlier suggestions of a pre-tax *fall of a third* may now be too pessimistic.

Wintrust

Wintrust's preliminary statement lays great stress on the group's financial strengths, but the results still show the scars of the banking upheaval of the last two years. So after a drop *of nearly a quarter* in pre-tax profits at the half-way stage, the full-year total has fallen by just over a half to £800,000—and the main reason is doubtful debt provisions, though business has also declined. Loans and *advances fell from £16.6m.* to £10m. during 1974-75, cutting the ratio to net worth from 2.5/1 to 1.4/1, though deposits are little changed. The contraction process has ended and advances have increased slightly *since the year end.* The main questions now are raised by the Board's comment that it is actively exploring means whereby the "virtues" of low gearing and an increasing liquidity—£16.4m. at the year end—may be translated into tangible benefits to shareholders. Some kind of link with an overseas banking institution is apparently being discussed—presumably at rather nearer the net worth of 105p than the current share price of 56p.

See also Page 14

RKT

Robert Kitchen Taylor's debt is "in excess of the £5m. which the directors are permitted to borrow" so the group is proposing to double its limits to £10m. The curious thing is that *as long ago as last September* the 1973-74 balance sheet showed net borrowings of £5.6m. The extraordinary meeting later this month should provide the opportunity for a more detailed explanation: meantime, the shares closed unchanged yesterday at 45p against a peak this year of 91p.

Continued from Page 1

Shore

an alternative plan, leaving the *50-50 idea on one side.*

The eventual compromise means that the inquiry is steered firmly into taking "par-road although it could well come up with a different mix from the 50-50 formula. It is also told in its terms of reference that trade union organisations perform "the essential role" in the process which leaves it free to handle the delicate questions of representation for middle management and other non-TUC union groups as well as to tackling the thorny problem of rationalising Board-level representation in a company with many unions.

Despite this, however, it is steered grmly into taking "particular" account of the TUC's proposals along with other experience, including that of the EEC which is expected to produce a new version of its ideas later this year.

The *inquiry* is also told to have regard to the interests of the national economy, employees, investors and consumers, and company law as well as to the efficient management of companies. This list is no doubt intended to balance the other more pro-trade union part but did little to stifle criticism from employers yesterday who felt that they and the country were being steamrollered by the TUC.

The timetable for the inquiry *is short.* It is to report within a year so that legislation can be placed before Parliament, and presumably enacted, during the *1976-77 session.*

This, Mr. Shore said, would be the next step of the Government's moves towards "the radical extension of industrial democracy in both the private and public sectors" through "measures which will enable those employed to participate in major decisions affecting the future of their companies *through representation* at Board level."

This, he pointed out, would involve a major change in company law and in the way industry is managed.

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